

Minutes of the meeting of the Audit and Compliance Committee of the Board of Directors of the Cook County Health and Hospitals System held Wednesday, July 10, 2013 at the hour of 10:00 A.M., at 1900 West Polk Street, in the Second Floor Conference Room, Chicago, Illinois.

I. Attendance/Call to Order

Chairman Muñoz called the meeting to order. In the absence of a quorum at that time, he appointed Director Butler as a substitute Member of the Committee for quorum purposes; therefore, a quorum of members was present.

Present: Chairman Luis Muñoz, MD, MPH and Directors Hon. Jerry Butler (substitute Committee Member) and Dorene P. Wiese, EdD (3)

Present

Telephonically: Gerald Bauman (non-Director Member)

Absent: Director Reverend Calvin S. Morris, PhD (1)

Additional attendees and/or presenters were:

Cathy Bodnar – System Chief Compliance and Privacy Officer

John Cookinham – System Chief Financial Officer

Donald Croswell – Washington, Pittman & McKeever, LLP

Scott Ellis - System Information Security Officer

Bala Hota, MD – System Chief Information Officer

Pat Kitchen – McGladrey LLP

Ram Raju, MD, MBA, FACS, FACHE – Chief Executive Officer

Elizabeth Reidy – System General Counsel

Deborah Santana – Secretary to the Board

Thomas Schroeder – System Director of Internal Audit

John Jay Shannon, MD – Chief of Clinical Integration

Rhonda Yates – System Director of Pharmacy

II. Public Speakers

Chairman Muñoz asked the Secretary to call upon the registered speakers.

The Secretary responded that there were none.

III. **Report from System Corporate Compliance Officer (Attachment #1)

A. File quarterly statistics on reactive compliance issues

B. File status of FY2013 work plan activities

C. Provide update on Information Security – internal and external environment

D. Review draft Corporate Compliance Steering Committee Charter

Cathy Bodnar, System Corporate Compliance and Privacy Officer, presented her report containing the following: quarterly statistics on reactive compliance issues; status of FY2013 work plan activities; and Update on Information Security, internal and external environment. The Committee reviewed and discussed the information.

Ms. Bodnar stated that there is an issue that she would like to address and bring to the Committee's attention, regarding an allegation of false claims in relation to the 340B Drug Pricing Program. The 340B Drug Pricing Program is a Federal program, managed under the U.S. Department of Health and Human Services, through the Health Resources Services Administration (HRSA) - specifically their Office of Pharmacy Affairs (OPA).

III. **Report from System Corporate Compliance Officer (continued)

The 340B Program requires drug manufacturers to provide outpatient drugs to enrolled covered entities at or below the statutorily defined ceiling price; there is a significant discount for the System's participation in this. The purpose of the Program (from HRSA's OPA website) is "to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services." Covered entities get incredibly deep discounts on 340B purchased drugs that are then dispensed to patients who receive health care services from 340B covered entities. The services that the System's patients receive cannot be just the dispensing of the drugs alone, they must receive care here within the System.

Under the definition, both Stroger and Provident Hospitals meet the definition of a covered entity through their designation as a disproportionate share hospital. There is an enrollment process that must occur that includes submissions of each hospital's Medicare Cost Report to support its claim of being a disproportionate share hospital. Similarly, enrollment must occur within the System's outpatient clinics. Outpatient clinics are defined as being located outside the four walls of the hospital. In addition to submissions of collateral material to support the registration for the hospitals to be participants in the 340B Program, submission of material also must be done for the outpatient clinics. Participation in the 340B Program is a huge savings to the System –approximately \$50 million annually.

Ms. Bodnar stated that issues have been identified with the System's participation in the Program. Historically, all three of the System's hospitals were registered on the HRSA OPA site. Unfortunately, due to administrative error, Oak Forest Hospital was not removed from the site when the hospital was de-activated as providing acute care hospital services. Similarly, it was identified that the outpatient clinics were not registered as "child sites," as well. When this was identified, staff immediately contacted HRSA OPA. It was verbally disclosed to them that there was an issue with Oak Forest Hospital; this was followed by with a letter that was authored by Dr. Shannon and Ms. Bodnar. Ms. Bodnar stated that Rhonda Yates, System Director of Pharmacy, has been significant in identifying this issue for the System and in implementing all of the corrective measures, so that the System can be in compliance with 340B Program requirements.

Ms. Bodnar stated that, on a quarterly basis, HRSA allows for the registration of sites. On April 3rd, System staff registered the outpatient clinics, with the exception of Oak Forest Health Center. HRSA OPA reviews the registrations during a quarter. Staff expected the outpatient clinics to be active on July 1st, however, this was not the case - HRSA OPA placed the System's registrations on hold. Significant financial ramifications will occur with the suspension of 340B Program purchases. There is active, ongoing dialogue with representatives of HRSA OPA; the administration has discussed with them that the System is absolutely committed to comply with 340B Program requirements. They have agreed to discuss and address the issues of why the registrations were put on hold; she noted that the administration was told that the registrations were put on hold, but was not told why. Ms. Bodnar indicated that the administration is addressing these issues rapidly.

Ms. Bodnar stated that there are issues relating to mixed use areas that that serve both inpatient and outpatient populations. The System has historically instituted a manual audit process, but Ms. Yates has recognized that this is not sufficient; the intent is to obtain 340B split billing software that will assist with mixed use areas.

Ms. Bodnar stated that, additionally, pharmaceutical manufacturers have audited the System regarding the 340B Program. Two of the audits were desk audits, where they reviewed off-site; one audit occurred on-site. Two of the three audits did have findings and potentially paybacks, as well.

III. **Report from System Corporate Compliance Officer (continued)

Ms. Bodnar stated that the administration is implementing corrective measures. They continue to develop and implement policies and procedures, and perform ongoing education within the pharmacy area; an additional component that is being considered is to establish auditable records for pharmaceuticals.

Following the Committee's discussion of the issue relating to the 340B Program, Ms. Bodnar continued with her report as presented. Chairman Muñoz inquired further regarding policy and procedure relating to record retention. Ms. Bodnar stated that she can provide further information regarding the specific regulatory guidelines relating to record retention.

The following individuals provided an overview of the information regarding Information Security: Scott Ellis, System Information Security Officer, and Dr. Bala Hota, System Chief Information Officer. The Committee reviewed the information.

IV. **Report from Director of Internal Audit (Attachment #2)

Tom Schroeder, System Director of Internal Audit, presented his report, regarding the Internal Audit Charter. The Committee reviewed and discussed the information.

V. Recommendations, Discussion/Information Items

A. **CCHHS Financial Statements, for the year ended November 30, 2012 (Attachment #4)

B. **CCHHS Management Letter, for the year ended November 30, 2012 (Attachment #4)

C. **Cook County Single Audit Report on Federal Awards, for the fiscal year ended November 30, 2012 (Attachment #3)

Pat Kitchen, of McGladrey LLP, reviewed the information contained in the CCHHS Financial Statements and Management Letter, for the year ended November 30, 2012. The Committee discussed the information.

Donald Croswell, of Washington, Pittman & McKeever, LLP, reviewed the information relating to the System contained in the Cook County Single Audit Report on Federal Awards, for the fiscal year ended November 30, 2012. The Committee discussed the information.

Gina Besenhofer, System Director of Supply Chain Management, provided additional information relating to findings contained in the Single Audit Report. She stated that one of the contracts that was audited was a contract with More Direct. This is a Health System contract - staff did not realize that the Department of Public Health was utilizing More Direct as well for some of their purchases, so they did not go back and amend the language to include the federal clauses that were necessary.

Ms. Besenhofer stated that staff has been retrained to be able to identify that type of issue. She stated that staff is working with the legal department to ensure that the contract language is compliant. She noted that, with regard to the monitoring of the vendors against the Federal Excluded Parties List System (EPLS), this is done on a monthly basis by Contract Compliance. This was not included in the contract file with the contract documents.

V. Recommendations, Discussion/Information Items (continued)

In response to Chairman Muñoz's request for further information regarding the other two contracts that were audited, Ms. Besenhofer indicated that she did not have this information immediately available, but would provide it to him following the meeting. Chairman Muñoz requested that the Committee receive an update on the activities relating to the findings at the October Committee Meeting¹.

VI. Action Items

A. Minutes of the Audit and Compliance Committee Meeting, April 10, 2013

Director Butler, seconded by Director Wiese, moved to accept the minutes of the Audit and Compliance Committee Meeting of April 10, 2013. THE MOTION CARRIED UNANIMOUSLY.

B. Any items listed under Sections V, VI and VII

VII. Closed Session Items

- A. **Report from System Corporate Compliance Officer**
- B. **Report from System Director of Internal Audit**
- C. **CCHHS Financial Statements, for the year ended November 30, 2012**
- D. **CCHHS Management Letter, for the year ended November 30, 2012**
- E. **Cook County Single Audit Report on Federal Awards, for the fiscal year ended November 30, 2012**
- F. Discussion of Personnel Matters**

Director Butler, seconded by Director Wiese, moved to recess the regular session and convene into closed session, pursuant to the following exceptions to the Illinois Open Meetings Act: 5 ILCS 120/2(c)(1), regarding "the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity," and 5 ILCS 120/2(c)(28), regarding "meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America." THE MOTION CARRIED UNANIMOUSLY.

Chairman Muñoz declared that the closed session was adjourned. The Committee reconvened into regular session.

VIII. Adjourn

As the agenda was exhausted, Chairman Muñoz declared the meeting ADJOURNED.

Respectfully submitted,
Audit and Compliance Committee of the
Board of Directors of the
Cook County Health and Hospitals System

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Luis Muñoz, MD, MPH, Chairman

Attest:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Deborah Santana, Secretary

¹ Follow-up: for October Committee Meeting, receive update on the activities relating to the Single Audit findings. Page 4.

Cook County Health and Hospitals System
Audit and Compliance Committee Meeting Minutes
July 10, 2013

ATTACHMENT #1

Corporate Compliance Report

Cathy Bodnar, MS, RN, CHC
Chief Compliance & Privacy Officer

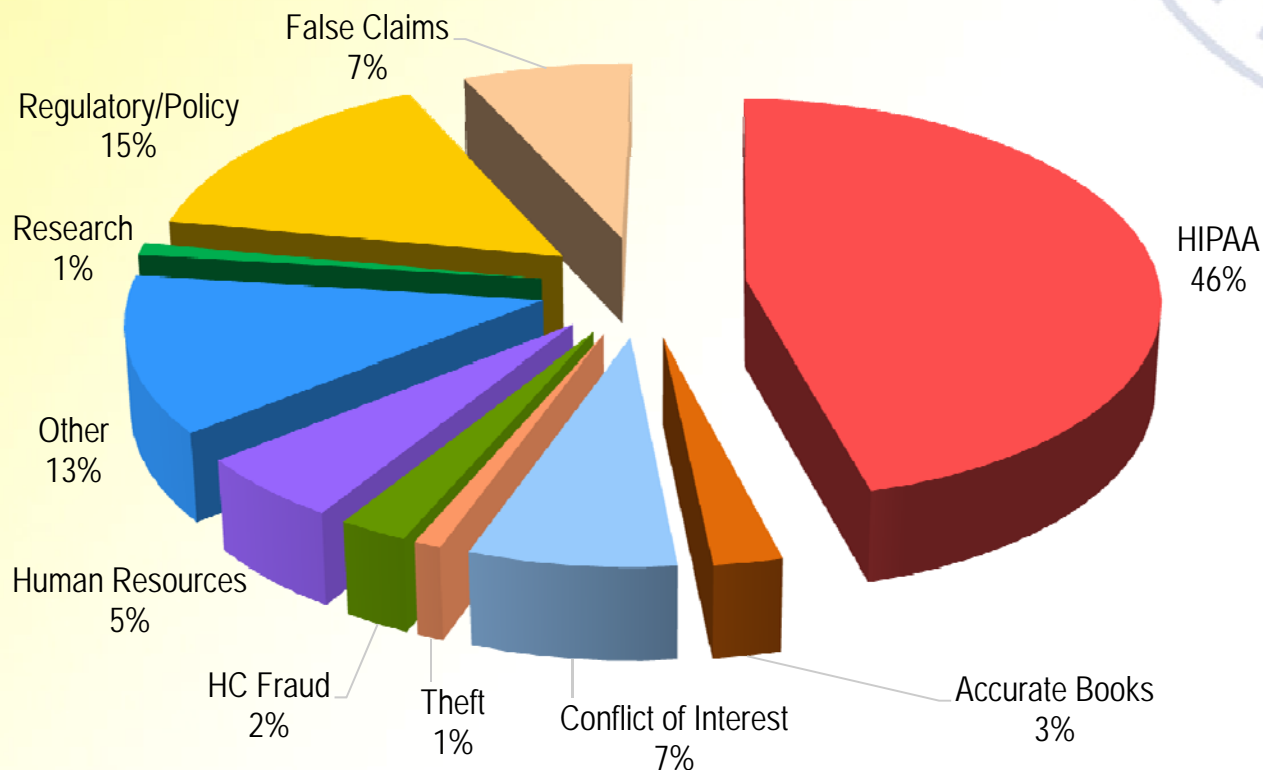
July 10, 2013

Meeting Objectives

- To discuss quarterly statistics on reactive compliance issues
- To receive and file status of FY 2013 work plan activities
- To provide an update on Information Security
 - external environment
 - internal environment

1st & 2nd Quarter FY 2013 Activity

A Total of 206 Reactive Corporate Compliance Issues
The Allegations Fall into the Categories that Follow



Actual Counts

Privacy (HIPAA)	94	Conflict of Interest	15	Human Resources	11	Accurate Books	5	Theft	2
Policy/Regulatory	31	False Claims	15	HC Fraud	5	Research	2	Other	26



Work Plan Status (Proactive)

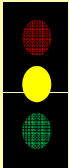
FY 2013 Goals

- 1) Serve as a resource to all our patients, our staff, and the public at large.
- 2) Continue to investigate and resolve complaints brought to the attention of the Program.
- 3) Continue to develop policies and work with operations to promote compliance.
- 4) Work closely with operational leadership to improve compliance culture within the organization.
- 5) Partner with operations to implement solutions aimed at identifying and resolving preventable risks.



Work Plan *(continued)*

FY 2013 Goals-In Process

- 
- 6) Expand excluded provider checks to include CCHHS volunteers.
 - 7) Review status of the system-wide Accounting of Disclosures Survey.
 - 8) Reinvigorate the Corporate Compliance Steering Committee
 - Charter Review
 - 9) Evaluate and strengthen HIPAA policies based upon the internal and external environment.
 - HIPAA Sanction Policy
 - Notice of Privacy Practices

Work Plan *(continued)*

FY 2013 Goals-Not Achieved

(Scheduled for 3rd – 4th Quarter based upon resource availability)

- 10) Implement System record retention policy and procedure.
- 11) Publish and distribute updated Standards of Conduct.
- 12) Perform proactive auditing and monitoring for healthcare services, in both professional and facility/technical areas, patient privacy and confidentiality, and policy compliance.



Questions?

Information Security

National Statistics Breach Notification Highlights¹

September 2009 through March 12, 2013

- 556 reports involving over 500 individuals
- Over 64,000 reports involving under 500 individuals
- Top types of large breaches
 - Theft
 - Unauthorized access/disclosure
 - Loss
- Top locations for large breaches
 - Laptops
 - Paper records
 - Desktop computers
 - Portable electronic device

¹U.S. Department of Health and Human Services, Office for Civil Rights



Significant Security Breaches 2012¹

- Hacking network server
780,000 affected
- Backup tapes stored at hospital cannot be found and are presumed lost
315,000 affected
- Unencrypted emails sent to employee's unsecured email address
228,435 affected
- Theft of laptop from employee's vehicle
116,506 affected
- Unauthorized access to e-PHI stored in database
105,646 affected
- Hacking database stored on network server
70,000 affected



National Breach Occurrences¹

Covered Entity	Issue	Findings	Fine
Shasta Regional Medical Center June 13, 2013	Breach in which protected health information (PHI) of one (1) patient was released to 3-separate media outlets without patient authorization . In addition to an internal e-mail distributed to 800-900 individuals that described the patient's medical condition and treatment without authorization.	<ul style="list-style-type: none"> Failure to develop policies and procedures that comply with the HIPAA Privacy Rule that must specifically address permissible and impermissible uses and disclosures of PHI, how workforce members should communicate with the media regarding patient-related inquiries, and how PHI should be shared within Shasta. 	\$ 275,000
Idaho State University May 22, 2013	Breach in which the electronic protected health information (ePHI) of approximately 17,500 patients was unsecured for at least 10 months, due to the disabling of firewall protections at servers maintained by Idaho State University.	<ul style="list-style-type: none"> Failure to complete a risk analysis; Failure to apply proper security measures and policies to address risks to ePHI; Failure to have in place procedures for routine review of their information system. 	\$ 400,000
Hospice of North Idaho January 2, 2013	Breach in which an unencrypted laptop computer containing the ePHI of 441 patients had been stolen in June 2010. First settlement involving a breach report affecting under 400 individuals. OCR discovered that the Hospice had not conducted a risk analysis to safeguard ePHI. Further, the Hospice did not have in place policies or procedures to address mobile device security as required by the HIPAA Security Rule.	<ul style="list-style-type: none"> Failure to conduct a risk analysis to safeguard ePHI. Failure to implement policies and procedures to address mobile device security. 	\$ 400,000



OCR Breach Findings¹ (Continued)

Covered Entity	Issue	Findings	Fine
Massachusetts Eye and Ear Infirmary September 17, 2012	Breach report submitted by Massachusetts Eye and Ear Infirmary reporting the theft of an unencrypted personal laptop containing ePHI of Massachusetts Eye and Ear Infirmary patients and research subjects.	<ul style="list-style-type: none"> Failure to conduct a risk analysis. Failure to implement security measures for portable devices. Failure to implement policies and procedures to restrict access to ePHI. Failure to implement policies and procedures regarding security incident identification, reporting, and response. 	\$1.5 Million
University of California at Los Angeles Health System (UCLA HS) July 6, 2011	Unauthorized access ; employees without a need to know repeatedly looked at the ePHI of numerous UCLA high profile patients.	<ul style="list-style-type: none"> Failure to conduct Privacy and Security trainings. Failure to implement sanctions policy. Failure to implement security measures to reduce the risks of impermissible access to ePHI. 	\$865,500

Significant Fines

Covered Entity	Issue	Findings	Fine
CVS Pharmacy, Inc. January 16, 2009	Disposal of PHI in dumpsters that were not secure and could be accessed by the public.	<ul style="list-style-type: none"> Failure to implement adequate policies and procedures to safeguard PHI during the disposal process. Failure to adequately train employees on the disposal process. Did not maintain and implement a workforce sanctions policy. 	CVS Pharmacy, Inc. \$ 2.25 Million
Rite Aid Corporation July 27, 2010			Rite Aid Corporation \$ 1 Million





Questions?



CCHHS Information Security Program Report

Dr. Bala Hota

Chief Information Officer

Scott R. Ellis, CISSP

Information Security Officer



State of CCHHS Information Security

Administrative Highlights:

- Developed Organizational Policies and Procedures
- Implemented Risk Management Framework
- Created an Information Security Strategy
- Increased System Awareness of Information Security
- Performed a CCHHS Security Assessment
- Developed CyberSecurity Plan
- Participated in Regional Cyber Preparedness Exercise Spring 2012

Key Operational Highlights

The Technical and Physical Factors:

- Upgraded wireless technology to ensure communication is encrypted and secure.
- Deployed full disk encryption on approximately 200 CCHHS laptops to safeguard ePHI.
- Deployed mobile device management on all registered devices (smart phones, laptops) to also safeguard ePHI and control access.
- Deployed internal and external intrusion protection systems to protect CCHHS information systems and safeguard against attacks.
- Piloted Team Site, Office 365 for document sharing and calendaring.

Future Information Security Projects

- Procure an industry standard risk assessment tool to understand risk exposure.
 - The Health Information Trust Alliance (HITRUST) established a Common Security Framework (CSF). This framework is certifiable and provides organizations with the needed structure, detail and clarity relating to information security tailored to the healthcare industry. The assurance tool assesses compliance with HITRUST.
- Acquire multiple technical applications to enhance CCHHS information security.
 - Perimeter Defense; CISCO – Identity Services Engine (Guest Network & Forced Authentication)
 - Endpoint Defense; Trend Micro Appliance (Network View Malware Detection, Isolation)
 - Endpoint Defense; New Endpoint Management (Antivirus/Antimalware) for all Devices (SOPHOS)
 - Endpoint Defense; Advanced Application White Listing (Layered Protection Methodologies-Bit9)
 - Theft/Loss Defense; Full Disk Encryption to all DESKTOPS and PCs (SOPHOS)
 - Mobile Defense; Increased licensing support for Mobile Devices (BYOD)
 - Remote Defense; Layered Approach Two Factor (RSA) Authentication - SEIM Tools
 - Access Controls; Single Sign On Cerner and Other Platforms



Questions?



Closed Session Discussion



COOK COUNTY HEALTH & HOSPITALS SYSTEM CORPORATE COMPLIANCE STEERING COMMITTEE

COMMITTEE CHARTER

Statement of Purpose

The purpose of the Cook County Health & Hospitals System ("CCHHS") Corporate Compliance Steering Committee (the "Committee") is to advise the CCHHS Chief Compliance and Privacy Officer in support of the CCHHS Board of Directors and the CCHHS Audit and Compliance Committee's oversight of the CCHHS corporate compliance program.

Organization

The Chief Compliance Officer will chair the Committee. The chair of the Committee may appoint additional members and convene subcommittees.

The Chief Compliance Officer will report on the Corporate Compliance Steering Committee's activities to the Chief Executive Officer and the CCHHS Audit and Compliance Committee of the Board of Directors.

The Committee will meet at least four (4) times per year, or more frequently as circumstances dictate.

Membership

The members of the Corporate Compliance Steering Committee are the CCHHS Executive Leadership team members. Other individuals may be invited to attend meetings at which items relevant to their areas of responsibility or concern are raised.

Duties and Responsibilities

The primary objectives and responsibilities of the Committee are to:

1. Provide guidance to the corporate compliance program by promoting and supporting a culture of professional responsibility, honesty, and respect;
2. Assist in the strategic direction of the organization with regard to compliance and matters;
3. Provide advice and guidance to the Chief Compliance Officer in the accomplishment of his/her duties;
4. Monitor the effectiveness of the corporate compliance program;

5. Assist the Chief Compliance Officer in analyzing the healthcare industry compliance, financial, legal and risk environment and developing policies, procedures and systems to ensure compliance with applicable laws, regulations and guidelines;
6. Review the system's annual corporate compliance work plan;
7. Review issues, concerns and trends identified internally and externally, in particular those identified as presenting a significant risk to the organization;
9. Recommend to the Chief Compliance Officer and the Audit and Compliance Committee and the Board, as appropriate, actions or measures that it deems appropriate to improve the effectiveness of the corporate compliance program;
10. Carry out other duties that the Audit and Compliance Committee or the Board may delegate to the Audit and Compliance Committee; and
11. Review and reassess this Charter every two years or more frequently as circumstances warrant, to ensure it remains relevant to the overall purpose of the Committee.

Date of Adoption

This Charter was presented to the Committee on May 14, 2013.

This Charter was adopted by the Committee on << insert date >>.

This Charter was presented to the Audit and Compliance Committee of the CCHHS Board of Directors on July 10, 2013.

Cook County Health and Hospitals System
Audit and Compliance Committee Meeting Minutes
July 10, 2013

ATTACHMENT #2



Internal Audit Report

July 10, 2013



**COOK COUNTY HEALTH
& HOSPITALS SYSTEM**
CCHHS

Internal Audit Charter

Significant Sections (complete charter included)

1. Mission
2. Role
3. Professional Standards
4. Authority
5. Independence
6. Accountability
7. Audit Scope
8. Responsibility



Cook County Health and Hospitals System (CCHHS)

Internal Audit Charter

January 17, 2012

Mission

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal Audit will align its activities with the mission and strategy of CCHHS. Internal Audit will promote good controls and serve as an educational resource to its stakeholders with respect to risk management, control and governance processes. Internal Audit will maintain a collaborative approach to its work practices and will ensure its work product provides value added outputs for its stakeholders.

Role

- Internal Audit's role is determined by the CCHHS Board of Directors through its Audit and Compliance Committee.
- Responsibilities are defined by the CCHHS Board of Directors through its Audit and Compliance Committee.

Professional Standards

- Internal Audit will govern themselves by adherence to the Institute of Internal Audit's "Code of Ethics". <http://www.theiia.org/guidance/standards-and-guidance/ippf/code-of-ethics/english/>
- The Institute's "International Professional Practice Framework" shall constitute the operating procedures for the department. These documents are considered an addendum to this Charter. <http://www.theiia.org/guidance/standards-and-guidance/ippf/standards/>
- Internal Audit will adhere to all CCHHS policies and procedures and all Internal Audit procedure manuals.

Authority

Internal Audit is authorized to:

- Have unrestricted access to all functions, records, property and personnel.
- Have free, open, and timely access to the Chief Executive Officer and the CCHHS Board of Directors through its Audit and Compliance Committee.
- Allocate department resources, set frequencies, select subjects, determine scope of work and apply the techniques required to achieve audit objectives.
- Obtain the necessary assistance of personnel in the organization when performing audits, as well as other specialized services from within or outside the organization.

Independence

- All audit activities shall remain free of influence by any element in the organization, including matters of audit scope, procedures, frequency, timing, or report content, required to permit the independence required to render objective reports.
- Internal auditors shall have no operational responsibility or authority over any activities they review.
- Internal auditors shall not develop or install systems or procedures, prepare records or engage in any other activity that they would normally audit.

- Internal Audit reports functionally to the CCHHS Board of Directors through its Audit and Compliance Committee and administratively to the Chief Executive Officer.
- Internal Audit periodically reports to the CCHHS Board of Directors through its Audit and Compliance Committee and to CCHHS Senior Leadership as outlined in the section on Accountability.

Accountability

Internal Audit is accountable to the CCHHS Board of Directors through its Audit and Compliance Committee and to CCHHS Senior Leadership to:

- Report significant issues related to the process for controlling the activities of the organization, including potential improvements to those processes, and provide information concerning such issues through resolution.
- Provide information periodically on the status and results of the annual audit plan and the sufficiency of internal audit resources.
- Coordinate with and provide oversight of other control and monitoring functions.

Audit Scope

The scope of the work of Internal Audit is to determine whether the network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are identified and managed.
- Interaction with various governance groups occurs as needed.
- Significant financial, managerial and operating information is accurate, reliable and timely.
- Employee's actions are in compliance with policies, standards, procedures and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans and objectives are achieved.
- Quality and continuous improvement are fostered in control processes.
- Significant legislative or regulatory issues impacting the organization are recognized and addressed properly.

Responsibility

- Develop an annual audit plan using risk-based methodology, including any risk or control concerns expressed by management, and submit the plan to the CCHHS Board of Directors through its Audit and Compliance Committee and to CCHHS Senior Leadership for approval.
- Implement the audit plan and any special requests by the CCHHS Board of Directors, its Audit and Compliance Committee, and CCHHS Senior Leadership and management.
- Maintain a professional audit staff capable of meeting the requirements of this Charter.
- Establish a quality assurance program whereby the director of internal audit assures the operations of internal audit.
- Perform consulting services in addition to assurance services. Consulting services are defined as "advisory and related client services activities, the nature and scope of which are agreed with the client and which are intended to add value and improve the organization's governance, risk management and control processes without the internal auditor assuming management responsibility." Examples include counsel, advice, facilitation, and training.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations and control processes, coincident with their development, implementation and/or expansion.

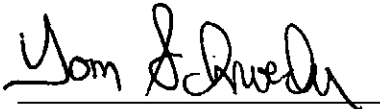
- Issue periodic reports to the CCHHS Board of Directors through its Audit and Compliance Committee and to CCHHS Senior Leadership summarizing results of internal audit activities.
- Inform the CCHHS Board of Directors through its Audit and Compliance Committee, and CCHHS Senior Leadership of emerging trends and successful practices in internal auditing.
- Provide the CCHHS Board of Directors through its Audit and Compliance Committee, and CCHHS Senior Leadership a list of internal audit measurement goals and results.
- Assist in the investigation of significant suspected fraudulent activities.
- Consider the scope of work of the external auditors and regulators for the purpose of providing optimal audit coverage at a reasonable cost.



Dr. Luis Munoz
Audit and Compliance Committee Chair



Dr. Ram Raju
Chief Executive Officer



Tom Schroeder
Director of Internal Audit

Cook County Health and Hospitals System
Audit and Compliance Committee Meeting Minutes
July 10, 2013

ATTACHMENT #3

Cook County, Illinois
Report on Federal Awards
(In accordance with the Single Audit Act
Amendments of 1996, and OMB Circular A-133)
For the Fiscal Year Ended November 30, 2012



COOK COUNTY, ILLINOIS

SINGLE AUDIT REPORT

NOVEMBER 30, 2012

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WASHINGTON, PITTMAN & McKEEVER, LLC

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MANAGEMENT CONSULTANTS**

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INDEPENDENT AUDITOR'S REPORT
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Commissioners of
Cook County, Illinois

We have audited the accompanying Schedule of Expenditures of Federal Awards (Schedule) of **Cook County, Illinois** (the County) for the year ended November 30, 2012. This financial statement is the responsibility of the County's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the County prepares the Schedule on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of Federal awards of the County for the year ended November 30, 2012 in conformity with the basis of accounting described in Note 2.



WASHINGTON, PITTMAN & McKEEVER, LLC

Chicago, Illinois
May 31, 2013

COOK COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)

For the Year Ended November 30, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass-Through Grantor's Number	County Business Unit	Responsible County Department	Federal Expenditures	
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Pass-Through Programs From:						
<i>Illinois State Board of Education</i>						
Child Nutrition Cluster:						
School Breakfast Program						
Child Nutrition Program	10.553	*	15-016-472P-00	4400638	Juvenile Temporary Detention Center	\$ 178,428
National School Lunch Program						
Child Nutrition Program	10.555	*	15-016-472P-00	4400638	Juvenile Temporary Detention Center	345,115
Child Nutrition Program - Non cash Award	10.555	*	15-016-472P-00	N/A	Juvenile Temporary Detention Center	31,784
Total National School Lunch Program						376,899
Total Child Nutrition Cluster						555,327
<i>Illinois Department of Human Services</i>						
Special Supplemental Nutrition Program for Women, Infants and Children						
IDHS Supplemental WIC	10.557		11GQ02044	9461108	Stroger Hospital	298,824
IDHS Supplemental WIC	10.557		FCSRE00833	9461208	Stroger Hospital	13,660
IDHS CM 0-3 Assurance	10.557		11G0131000	9740109	Public Health	(2,602)
IDHS Supplemental WIC	10.557		011GQ02043	9791101	Public Health	3,015,569
IDHS Supplemental WIC	10.557		FCSRE00832	9791201	Public Health	123,291
Supplemental Food WIC - Non-cash Award	10.557		N/A	N/A	Public Health	10,808,270
Total Special Supplemental Nutrition Program for Women, Infants and Children						14,257,012
<i>Illinois Department of Public Health</i>						
Summer Food Service Program for Children						
IDHS Food Inspections	10.559		95280799	9750912	Public Health	(82,624)
Total U.S. Department of Agriculture						14,729,715
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
Direct Programs:						
CDBG - Entitlement Grants Cluster:						
Community Development Block Grants/Entitlement Grants						
Community Development Block Grant	14.218	*	N/A	9421201	Department of Planning and Development	157,183
CDBG Demolition Program	14.218	*	N/A	7960001	State's Attorney	(142,904)
Community Development Block Grant	14.218	*	N/A	9428225	Department of Planning and Development	11,563,092
Neighborhood Stabilization Program 1 (NSP 1)	14.218	*	N/A	7530901	Department of Planning and Development	10,731,749
Neighborhood Stabilization Program 1 (NSP 3)	14.218	*	N/A	7531101	Department of Planning and Development	1,609,941
Total Community Development Block Grants/Entitlement Grants						23,919,061
ARRA - Community Development Block Grant ARRA						
Entitlement Grants (CDBG-R)						
Community Development Block Grant	14.253	*	N/A	7500901	Department of Planning and Development	765,884
Total CDBG - Entitlement Grants Cluster						24,684,945
Emergency Shelter Grants Program						
Emergency Shelter	14.231		N/A	9411201	Department of Planning and Development	10,837
Emergency Shelter	14.231		N/A	9418224	Department of Planning and Development	578,002
Total Emergency Shelter Grants Program						588,839
HOME Investment Partnerships Program						
HOME Investment Partnerships Program	14.239	*	N/A	7721201	Department of Planning and Development	106,443
HOME Investment Partnerships Program	14.239	*	N/A	7728202	Department of Planning and Development	8,091,205
Total HOME Investment Partnerships Program						8,197,648
ARRA - Homelessness Prevention and Rapid Re-Housing Program						
Homelessness Prevention and Rapid Re-Housing Program	14.257	*	N/A	7800901	Department of Planning and Development	1,439,944
Total U.S. Department of Housing and Urban Development						34,911,376
<u>U.S. DEPARTMENT OF JUSTICE</u>						
Direct Programs:						
State Domestic Preparedness Equipment Support Program						
Domestic Preparedness	16.007		2000-TE-CX-0129	6970001	Sheriff	(45,824)
Domestic Preparedness	16.007		2000-TE-CX-0129	6970201	Sheriff	(531)
Total State Domestic Preparedness Equipment Support Program						(46,355)
Services for Trafficking Victims						
Human Trafficking Task Force	16.320		N/A	6251001	State's Attorney	274,476
Part E- Developing, Testing and Demonstrating Promising New Programs						
Juvenile Justice Delinquency	16.541		N/A	7948254	State's Attorney	(209,254)
Missing Children's Assistance						
Internet Crimes	16.543		N/A	6231001	State's Attorney	130,112
Internet Crimes	16.543		N/A	6360801	State's Attorney	102,694
Internet Crimes	16.543		N/A	6361101	State's Attorney	226,633
Total Missing Children's Assistance						459,439
ARRA - Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program						
Internet Crimes	16.580		N/A	6110901	State's Attorney	222,092
Mortgage Fraud Invest & Pros	16.580		N/A	9680901	State's Attorney	280,329
Total ARRA -Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program						502,421

See Accompanying Notes to Schedule of Expenditures of Federal Awards

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)
For the Year Ended November 30, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass-Through Grantor's Number	County Business Unit	Responsible County Department	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE (Continued)					
Direct Programs (Continued):					
Drug Court Discretionary Grant Program					
GEMS Family Drug Court	16.585	N/A	7751101	Chief Judge	2,183
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program					
D.V. Targeted Abuser Call	16.590	N/A	6130501	State's Attorney	65,618
State Criminal Alien Assistance Program					
State Criminal Alien Assistance Program	16.606	N/A	N/A	Chief Financial Officer/Sheriff	1,719,072
Public Safety Partnership and Community Policing Grants					
Criminal Apprehension Booking	16.710	N/A	6438294	Sheriff	196,298
Gang Resistance Education and Training					
GREAT Program	16.737	N/A	6990001	Sheriff	(48,632)
GREAT Program	16.737	N/A	6990101	Sheriff	10,494
GREAT Program	16.737	N/A	6990201	Sheriff	(5,129)
GREAT Program	16.737	N/A	6990301	Sheriff	30,089
GREAT Program	16.737	N/A	6998308	Sheriff	1,008
Total Gang Resistance Education and Training					(12,170)
Protecting Inmates and Safeguarding Communities Discretionary Grant Program					
Prison Rape Elimination	16.735	N/A	6571101	Sheriff	24,684
Criminal and Juvenile Justice and Mental Health Collaboration Program					
Mental Health Court Expansion	16.745	N/A	6840701	Sheriff	(162,867)
Mental Health Collaboration	16.745	N/A	9860901	Sheriff	87,980
Total Criminal and Juvenile Justice and Mental Health Collaboration Program					(74,887)
Economic High-Tech and Cyber Crime Prevention					
Property Crime Enforcement	16.752	N/A	6281101	State's Attorney	131,890
Congressionally Recommended Award					
Transitional Mental Health	16.753	N/A	6941001	Sheriff	125,625
Second Chance Act Prisoner Reentry Initiative					
Second Chance Reentry	16.812	N/A	6561001	Sheriff	511,371
Second Chance Reentry	16.812	N/A	6811001	Chief Judge	218,832
Westcare Program	16.812	N/A	6881001	Sheriff	100,460
Total Second Chance Act Prisoner Reentry Initiative					830,663
Total Direct Programs					3,989,703
Pass-Through Programs From:					
Illinois Criminal Justice Information Authority					
Juvenile Accountability Block Grants					
Project Reclaim	16.523	507801	6161101	State's Attorney	20,884
Project Reclaim	16.523	508320	6621101	Judicial Advisory Council	80,511
Project Reclaim	16.523	509321	6631101	Judicial Advisory Council	84,763
Project Reclaim	16.523	507014	8330901	Judicial Advisory Council	(21,675)
Project Reclaim	16.523	508014	8331001	Judicial Advisory Council	38,533
Pre-Employment Program	16.523	508014	8331002	Judicial Advisory Council	42,740
Pre-Employment Program	16.523	509014	8331101	Judicial Advisory Council	247,899
Pre-Employment Program	16.523	509014	8331102	Judicial Advisory Council	79,792
Pre-Employment Program	16.523	507314	8351001	Chief Judge	9,958
Pre-Employment Program	16.523	508314	8351201	Chief Judge	29,534
Total Juvenile Accountability Block Grants					612,939
National Criminal History Improvement Program (NCHIP)					
Disposition Reporting	16.554	710001	7411101	Clerk of the Circuit Court	64,440
Crime Victim Assistance					
Ser. Cook County Victim	16.575	209161	6150901	State's Attorney	
Ser. Cook County Victim	16.575	210161	6151001	State's Attorney	(25,927)
Ser. Cook County Victim	16.575	210161	6151101	State's Attorney	505,965
Prosecution Based Victim	16.575	210041	7621101	State's Attorney	17,681
Prosecution Based Victim	16.575	210041	7621201	State's Attorney	716,953
Total Crime Victim Assistance					1,214,672
Byrne Formula Grant Program					
Unsolved Homicide	16.579	N/A	6900101	Sheriff	31,277
Sexual Assault Response	16.579	710001	6350201	Clerk of the Circuit Court	(1,125)
DNA Training/Prosecution	16.579	402129	6480901	Clerk of the Circuit Court	(76,758)
Defense Services Juvenile Transfer	16.579	N/A	7490001	Public Defender	(20,202)
Defense Services Juvenile Transfer	16.579	N/A	7490101	Public Defender	(26,548)
Defense Services Juvenile Transfer	16.579	N/A	7498249	Public Defender	(25,129)
Violent Crime Appeals	16.579	N/A	7508250	Public Defender	(7,500)
Total Byrne Formula Grant Program					(125,985)
Crime Victim Assistance/Discretionary Grants					
Prosecution Based Victim	16.582	12-132	6341201	State's Attorney	4,300

See Accompanying Notes to Schedule of Expenditures of Federal Awards

COOK COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)

For the Year Ended November 30, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number		Pass-Through Grantor's Number	County Business Unit	Responsible County Department	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE (Continued)						
Pass-Through Programs From (Continued)						
Illinois Criminal Justice Information Authority (Continued)						
Violence Against Women Formula Grants						
D.V. Targeted Abuser	16.588	*	N/A	6131101	State's Attorney	375,150
D.V. Sexual Assault	16.588	*	609917	6921001	Sheriff	97,701
Domestic Violence Prosecution Coord.	16.588	*	609010	7561101	State's Attorney	76,313
Domestic Violence Prosecution Coord.	16.588	*	610010	7561201	State's Attorney	645,891
Recovery Justice Assistance	16.588	*	609901	8241001	Chief Judge	137,012
						<u>1,332,067</u>
ARRA - Violence Against Women Formula Grants						
VAWA ARRA Spec Per Domestic Violence	16.588	*	609904	9661001	State's Attorney	105,565
VAWA ARRA Spec Per Sexual Assault	16.588	*	609905	9731001	State's Attorney	153,948
						<u>259,513</u>
Total Violence Against Women Formula Grants						<u>1,591,580</u>
City of Chicago						
Local Law Enforcement Block Grant Program						
Local Law Enforcement Block Grant	16.592		N/A	8370301	Judicial Advisory Council	(1,451)
Local Law State's Attorney	16.592		N/A	8370402	Judicial Advisory Council	(306,145)
Local Law Enforcement	16.592		N/A	8379901	Judicial Advisory Council	(91)
Total Law Enforcement Block Grants Program						<u>(307,686)</u>
Illinois Criminal Justice Information Authority						
JAG Program Cluster:						
Edward Byrne Memorial Justice Assistance Grant Program						
DNA Training/Prosecution	16.738	*	408929	6481001	State's Attorney	12
DNA Training/Prosecution	16.738	*	408229	6481101	State's Attorney	252,505
Services Female Offenders	16.738	*	408211	8231101	Adult Probation	164,162
Services Female Offenders	16.738	*	404111	8230501	Adult Probation	(48,738)
Services Female Offenders	16.738	*	404111	8230502	Adult Probation	(4,093)
Services Female Offenders	16.738	*	408111	8230901	Adult Probation	(7,409)
Female DUI Offenders	16.738	*	403110	8250402	Chief Judge	(3,607)
Female DUI Offenders	16.738	*	404110	8250501	Chief Judge	(4,036)
Female DUI Offenders	16.738	*	406110	8250801	Chief Judge	(1,896)
Female DUI Offenders	16.738	*	406210	8250901	Chief Judge	(843)
Female DUI Offenders	16.738	*	409110	8251001	Chief Judge	33,086
Female DUI Offenders	16.738	*	409110	8251201	Chief Judge	526
Complex Drug Prosecution	16.738	*	409089	8301001	State's Attorney	1,033
Complex Drug Prosecution	16.738	*	409189	8301101	State's Attorney	1,177,285
City of Chicago						
Justice Assistance Grant	16.738	*	2007-F2722-IL-DJ	7670601	Judicial Advisory Council	250
Justice Assistance Grant	16.738	*	2007-F2722-IL-DJ	7670801	Judicial Advisory Council	65,310
Justice Assistance Grant	16.738	*	2007-F2722-IL-DJ	7670901	Judicial Advisory Council	221,777
Justice Assistance Grant	16.738	*	2007-F2722-IL-DJ	7670902	Judicial Advisory Council	83,741
Justice Assistance Grant	16.738	*	2007-F2722-IL-DJ	7670903	Judicial Advisory Council	86,173
Justice Assistance Grant	16.738	*	2007-F2722-IL-DJ	7940901	Judicial Advisory Council	635,681
Justice Assistance Grant	16.738	*	2007-F2722-IL-DJ	7940902	Judicial Advisory Council	365,573
Justice Assistance Grant	16.738	*	2007-F2722-IL-DJ	7940903	Judicial Advisory Council	329,271
Total Edward Byrne Memorial Justice Assistance Grant Program						<u>3,345,763</u>
Illinois Criminal Justice Information Authority						
Edward Byrne Memorial Justice Assistance Grant (JAG)						
Program/Grants to States and Territories						
Coordinated Reentry Serv.	16.803	*	809045	6541001	Sheriff	34,183
Specialty Courts Program	16.803	*	809031	7541001	Chief Judge	106,879
Total Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories						<u>141,062</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG)						
Program/Grants to States and Territories						
Community Justice Center	16.803	*	809035	6121001	State's Attorney	278,370
Ford heights Crime	16.803	*	809036	6981001	Sheriff	21,107
Cold Case Homicide Unit	16.803	*	809034	7951001	State's Attorney	591,643
Domestic Violence Div. Ser.	16.803	*	809032	8381001	Chief Judge	244,454
Adult Redeploy IL	16.803	*	809051.21	9401101	Judicial Advisory Council	7,671
Adult Redeploy IL	16.803	*	809051.21	9401103	Judicial Advisory Council	258,693
Adult Redeploy IL	16.803	*	809051.21	9401104	Judicial Advisory Council	51,928
Adult Redeploy IL	16.803	*	809051.21	9401105	Judicial Advisory Council	63,931
Total ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories						<u>1,517,797</u>
Total JAG Program Cluster						<u>5,004,622</u>
University of Illinois						
Project Safe Neighborhoods						
Comprehensive Anti Gang	16.609		2008-PG-BX-0007	6171001	State's Attorney	5,336
Project Safe Neighborhood	16.609		2010-GP-CX-0024	6531002	State's Attorney	(10,512)
Project Safe Neighborhood	16.609		2011-GP-BX-0053	6531101	State's Attorney	129,684
Total Project Safe Neighborhoods						<u>124,508</u>
Total Pass-Through Programs						<u>8,183,390</u>
Total U.S. Department of Justice						<u>12,173,093</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)
For the Year Ended November 30, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass-Through Grantor's Number	County Business Unit	Responsible County Department	Federal Expenditures
U.S. DEPARTMENT OF LABOR					
Pass-Through Programs From:					
<i>Illinois Department of Commerce and Economic Opportunity</i>					
Workforce Investment Act (WIA) Cluster:					
WIA Adult Program					
WIA Title I Incentive	17.258	*	08-672007	8400801	Cook County Works (35)
WIA Title I Incentive	17.258	*	08-672007	8401001	Cook County Works 2,039
WIA Title I Adult	17.258	*	10-681007	9011003	Cook County Works 1,635,991
WIA Title I Adult	17.258	*	11-681007	9011103	Cook County Works 2,301,319
					<u>3,939,314</u>
ARRA - WIA Adult Program					
ARRA Adult	17.258	*	10-761007	9070902	Cook County Works 27,235
Total WIA Adult Program					<u>3,966,549</u>
WIA Youth Activities					
WIA Title I	17.259	*	01-681007	9010101	President's Office of Employment Training (943,461)
WIA Title I	17.259	*	06-681007	9010601	President's Office of Employment Training (768,409)
WIA Title I	17.259	*	07-681007	9010701	President's Office of Employment Training (210,561)
WIA Title I School Youth	17.259	*	09-681007	9010901	Cook County Works 27,346
WIA Title I No School Youth	17.259	*	09-681007	9010902	Cook County Works 971
WIA Title I School Youth	17.259	*	10-681007	9011001	Cook County Works (78,932)
WIA Title I No School Youth	17.259	*	10-681007	9011002	Cook County Works 1,741,268
WIA Title I School Youth	17.259	*	11-681007	9011101	Cook County Works 572,151
WIA Title I No School Youth	17.259	*	11-681007	9011102	Cook County Works 1,211,619
					<u>1,551,992</u>
ARRA - WIA Youth Activities					
WIA ARRA Formula Youth	17.259	*	08-762007	9100901	Cook County Works 49,110
Total WIA Youth Activities					<u>1,601,102</u>
WIA Dislocated Workers					
WIA Adult Dislocated Workers	17.260	*	09-681007	9010904	Cook County Works (6,230)
Administrative Cost Pool	17.260	*	N/A	9181001	Cook County Works (1,290,769)
Administrative Cost Pool	17.260	*	11-681007	9181101	Cook County Works 517,140
					<u>(779,859)</u>
ARRA - WIA Dislocated Workers					
WIA ARRA Adult Dislocated Workers	17.260	*	08-761007	9070901	Cook County Works 100,000
WIA ARRA Adult Dislocated Workers	17.260	*	10-761007	9070903	Cook County Works 130,674
					<u>230,674</u>
Total WIA Dislocated Workers					<u>(549,185)</u>
WIA Dislocated Worker Formula Grants					
WIA Title I Dislocated	17.278	*	10-681007	9011004	Cook County Works 2,472,975
WIA Title I Dislocated	17.278	*	11-681007	9011104	Cook County Works 3,809,228
Total WIA Dislocated Worker Formula Grants					<u>6,282,203</u>
Total WIA Cluster					<u>11,300,669</u>
Total U.S. Department of Labor					<u>11,300,669</u>
U.S. DEPARTMENT OF TRANSPORTATION					
Pass-Through Programs From:					
<i>Illinois Department of Transportation</i>					
Highway Safety Cluster:					
State and Community Highway Safety					
Holiday Mobilization	20.600		OP2-0016-270	6440801	Sheriff 24,068
Holiday Mobilization	20.600		OP1-0016-230	6441001	Sheriff (20,684)
Total State and Community Highway Safety					<u>3,384</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I					
Local Alcohol Program	20.601		AL1-0016-231	6900801	Sheriff 21,872
Local Alcohol Program	20.601		AL1-0016-231	6900901	Sheriff 47,718
Local Alcohol Program	20.601		AL1-0016-231	6901001	Sheriff 48,800
Total Alcohol Impaired Driving Countermeasures Incentive Grants I					<u>118,390</u>
Total Highway Safety Cluster					<u>121,774</u>
Total U.S. Department of Transportation					<u>121,774</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY					
Direct Programs:					
Air Pollution Control Program Support					
Air Pollution	66.001		N/A	9090901	Environmental Control 8,551
Air Pollution	66.001		N/A	9091001	Environmental Control 934,800
Air Pollution	66.001		N/A	9091101	Environmental Control 136,090
Total Air Pollution Control Program Support					<u>1,079,441</u>
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act					
Air Pollution Particulate Monitoring	66.034		N/A	7480901	Environmental Control (39,947)
Air Pollution Particulate Monitoring	66.034		N/A	7481001	Environmental Control 3,415
Air Pollution Particulate Monitoring	66.034		N/A	7481101	Environmental Control 193,818
Clean Diesel Initiative	66.034		N/A	7481201	Environmental Control 32,340
Total Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act					<u>189,626</u>
Total Direct Programs					<u>1,269,067</u>

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COOK COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)

For the Year Ended November 30, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass-Through Grantor's Number	County Business Unit	Responsible County Department	Federal Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY (Continued)					
Pass-Through Programs From:					
<i>Illinois Emergency Management Agency</i>					
State Indoor Radon Grants					
Radon Awareness	66.032	1289COOKCO	9050701	Environmental Control	(29)
Radon Awareness	66.032	12COOK	9051101	Environmental Control	76
Total State Indoor Radon Grants					47
Total Pass-Through Programs					47
Total U.S. Environmental Protection Agency					1,269,114
U.S. DEPARTMENT OF ENERGY					
Direct Programs:					
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)					
Energy Efficiency Retrofit	81.128 *	N/A	9371001	Environmental Control	(11,707)
Energy Efficiency Retrofit	81.128 *	N/A	9371002	Environmental Control	709,920
Energy Efficiency Retrofit	81.128 *	N/A	9371003	Environmental Control	(5,256)
Energy Efficiency NSP	81.128 *	N/A	9371004	Environmental Control	504,211
Energy Efficient Local Government	81.128 *	N/A	9371005	Environmental Control	650,034
Energy Efficient Chicago Ridge Solar	81.128 *	N/A	9371006	Environmental Control	50,200
EE Industrial Bldg & Energy	81.128 *	N/A	9371008	Environmental Control	133,804
EE CC Deconstruction	81.128 *	N/A	9371009	Environmental Control	65,792
EE & MC Strategy	81.128 *	N/A	9371010	Environmental Control	276,449
EE Transportation Incentive	81.128 *	N/A	9371011	Environmental Control	227,610
EE CC Energy Audits	81.128 *	N/A	9371012	Environmental Control	255,927
EE CC Revolving Loan Funds	81.128 *	N/A	9371013	Environmental Control	17,189
EE CC Electronic Collection	81.128 *	N/A	9371014	Environmental Control	21,228
Energy Efficient Cook County Composting	81.128 *	N/A	9371015	Environmental Control	31,416
Energy Highway LED Retrofit	81.128 *	N/A	9371016	Environmental Control	656,033
EECBG Personnel & Equipment	81.128 *	N/A	9371017	Environmental Control	498,521
Total ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)					4,081,371
Total U.S. Department of Energy					4,081,371
U.S. ELECTION ASSISTANCE COMMISSION					
Pass-Through Programs From:					
<i>Illinois State Board of Election</i>					
Help America Vote Act Requirements Payments					
Election Assistance	90.401	N/A	6191001	County Clerk	216,964
Total U.S. Election Assistance Commission					216,964
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Direct Programs:					
Substance Abuse and Mental Health Services_					
Projects of Regional and National Significance					
Adult Treatment Drug Courts	93.243	N/A	8601101	Adult Probation	237,519
Total Substance Abuse and Mental Health Services_					
Projects of Regional and National Significance					237,519
Coal Miners Respiratory Impairment Treatment					
Clinics and Services					
Black Lung	93.965	N/A	9310701	Stroger Hospital	(253,854)
Black Lung	93.965	N/A	9310801	Stroger Hospital	(23,182)
Black Lung	93.965	N/A	9310901	Stroger Hospital	(43,194)
Black Lung	93.965	N/A	9311001	Stroger Hospital	20
Black Lung	93.965	N/A	9311101	Stroger Hospital	88,638
Black Lung	93.965	N/A	9311201	Stroger Hospital	11,579
Total Coal Miners Respiratory Impairment Treatment Clinics and Services					(219,993)
Total Direct Programs					17,526
Pass-Through Programs From:					
<i>Great Lakes Hemophilia Foundation</i>					
Maternal and Child Health Federal Consolidated Programs					
Hemophilia	93.110	5H30MC00032-16	8470502	Stroger Hospital	120,948
<i>Illinois Department of Public Health</i>					
Environmental Public Health and Emergency Response					
Childhood Lead	93.070	25390209	9501101	Public Health	58,743
Centers for Disease Control and Prevention_ Investigations and Technical Assistance					
Breast and Cervical Cancer	93.283	16180007	9971001	Public Health	77,337
Breast and Cervical Cancer	93.283	26180007	9971101	Public Health	48,916
Breast and Cervical Cancer	93.283	26180007	9971201	Public Health	1,788
Total Centers for Disease Control and Prevention_ Investigations and Technical Assistance					128,041

See Accompanying Notes to Schedule of Expenditures of Federal Awards

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)
For the Year Ended November 30, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass-Through Grantor's Number	County Business Unit	Responsible County Department	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Pass-Through Programs From (Continued):					
<i>Illinois Department of Healthcare and Family Services</i>					
Child Support Enforcement					
Expedited Child Support	93.563	6KCOK00001	7780601	Chief Judge	184,340
Expedited Child Support	93.563	8KCOK00001	7780701	Chief Judge	(4,900)
Expedited Child Support	93.563	8KCOK00001	7780801	Chief Judge	(185)
Expedited Child Support	93.563	2008-55-028-K3	7780901	Chief Judge	(18,849)
Expedited Child Support	93.563	2009-55-024-K3a	7781001	Chief Judge	(2,391)
Expedited Child Support	93.563	2011-55-028-K3	7781101	Chief Judge	637,084
Expedited Child Support	93.563	2011-55-028-K4	7781201	Chief Judge	410,953
Child Support Enforcement	93.563	1COOP00002	7790301	Clerk of the Circuit Court	49,654
Child Support Enforcement	93.563	8KCOK00002	7790901	Clerk of the Circuit Court	(33,029)
Child Support Enforcement	93.563	2011-55-026-K	7791001	Clerk of the Circuit Court	61,711
Child Support Enforcement	93.563	9KCOK00002	7791101	Clerk of the Circuit Court	2,837,028
Child Support Enforcement	93.563	9KCOK00002	7791201	Clerk of the Circuit Court	1,993,726
Child Support Enforcement	93.563	11COOP0004	7810102	Sheriff	(148,367)
Child Support Enforcement	93.563	11COOP0004	7810201	Sheriff	(21,542)
Child Support Enforcement	93.563	6KCOK0003	7810301	Sheriff	(29,701)
Child Support Enforcement	93.563	6KCOK0003	7810501	Sheriff	(127,044)
Child Support Enforcement	93.563	6KCOK0003	7810601	Sheriff	(9,572)
Child Support Enforcement	93.563	8KCOK00003	7810701	Sheriff	(60,077)
Child Support Enforcement	93.563	8KCOK00003	7810801	Sheriff	(472,031)
Child Support Enforcement	93.563	2008-55-027-K3	7810901	Sheriff	(39,395)
Child Support Enforcement	93.563	11KCOK00003	7811001	Sheriff	9,364
Child Support Enforcement	93.563	1KCOK00003	7811101	Sheriff	956,139
Child Support Enforcement	93.563	1KCOK00003	7811201	Sheriff	673,978
Child Support Enforcement	93.563	11KCOK00004	7820102	State's Attorney	(11)
Child Support Enforcement	93.563	11KCOK00005	7820201	State's Attorney	(788)
Child Support Enforcement	93.563	4KCOK00004	7820301	State's Attorney	(38,840)
Child Support Enforcement	93.563	8KCOK00004	7820701	State's Attorney	16,345
Child Support Enforcement	93.563	2008-55-025-K2	7820801	State's Attorney	(6,455)
Child Support Enforcement	93.563	9000000026	7828358	State's Attorney	(233,926)
Child Support Enforcement	93.563	8KCOK00004	7820901	State's Attorney	230
Child Support Enforcement	93.563	8KCOK00004	7821101	State's Attorney	4,817,984
Child Support Enforcement	93.563	8KCOK00004	7821201	State's Attorney	3,248,104
Total Child Support Enforcement					14,649,537
Grants to States for Access and Visitation Programs					
Access and Visitation	93.597	2012-55-024-K2a	6201101	Chief Judge	35,872
Access and Visitation	93.597	2012-55-024-K4a	6201201	Chief Judge	25,478
Total Grants to States for Access and Visitation Programs					61,350
Medicaid Cluster:					
Medical Assistance Program					
Medicaid Case Management	93.778	N/A	9740930	Public Health	
Medicaid Case Management	93.778	N/A	9741030	Public Health	2,013,405
Medicaid Case Management	93.778	N/A	9741130	Public Health	(31,824)
Medicaid Case Management	93.778	N/A	9741230	Public Health	3,537
Total Medicaid Cluster					1,985,118
<i>Illinois Department of Human Services</i>					
Social Services Block Grant					
Disaster Assistance Grant	93.667	DR00000021	7860901	Homeland Security and Emergency Management	203,965
IDHS Case Management	93.667	11GM777000	9741106	Public Health	(4,108)
IDHS Case Management	93.667	11GM777000	9741107	Public Health	73,800
IDHS Case Management	93.667	011GQ01105	9741206	Public Health	19,532
IDHS Case Management	93.667	011GQ01105	9741207	Public Health	(23,430)
Total Social Services Block Grant					269,759
<i>Illinois Department of Public Health</i>					
Block Grants for Prevention and Treatment of Substance Abuse					
Substance Abuse Prevention	93.959	11GL132000	6960501	Sheriff	(373)
Substance Abuse Prevention	93.959	11G8132000	6960801	Sheriff	(739)
Substance Abuse Prevention	93.959	11GM032000	6961001	Sheriff	(60)
Substance Abuse Prevention	93.959	011GQ00032	6961101	Sheriff	16,032
Total Block Grants for Prevention and Treatment of Substance Abuse					14,860
Maternal and Child Health Services Block Grant to the States					
Regional Perinatal	93.994	CH99001063	9490801	Sheriff	(32,650)
Immunization Cluster:					
Immunization Cooperative Agreements					
Immunization Initiative	93.268	5180780	9771001	Public Health	(8,775)
Immunization Initiative	93.268	15180101	9771101	Public Health	102,624
Immunization Initiative	93.268	15180006	9771201	Public Health	41,133
Immunization Initiative-Non-Cash Award	93.268	N/A	N/A	Public Health	176,748
Total Immunization Cooperative Agreements					311,730
ARRA - Immunization					
Varicella Sur Program	93.712	05180323	9521001	Public Health	53,500
Total Immunization Cluster					365,230

See Accompanying Notes to Schedule of Expenditures of Federal Awards

COOK COUNTY, ILLINOIS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)

For the Year Ended November 30, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass-Through Grantor's Number	County Business Unit	Responsible County Department	Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</u>					
Pass-Through Programs From (Continued):					
<i>Illinois Department of Public Health (Continued)</i>					
Public Health Emergency Preparedness					
Bioterrorism Prep/Planning	93.069	07181016	9030901	Public Health	495,497
Bioterrorism Prep/Planning	93.069	27180016	9031101	Public Health	449,676
Cities Readiness Initiative	93.069	07181099	9200901	Public Health	148,908
Cities Readiness Initiative	93.069	07181099	9201101	Public Health	27,746
Total Public Health Emergency Preparedness					<u>1,121,827</u>
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups					
Regional HIV Prevention	93.943	11758LA	9511101	Public Health	<u>512</u>
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance					
IPHA HIV/AIDS Prevent. Dir.	93.944	1075806	9551001	Public Health	(2,354)
IPHA HIV/AIDS Prevent. Dir.	93.944	1175806	9551101	Public Health	281,616
Federal Source Aids Health	93.944	25780004	9801101	Public Health	<u>3,412</u>
Total Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance					<u>282,674</u>
<i>Aids Foundation of Chicago</i>					
HIV Care Formula Grants					
HIV AIDS Foundation	93.917	N/A	6580702	Cermak Health Services	7,339
HIV AIDS Foundation	93.917	N/A	6580801	Cermak Health Services	(41,425)
HIV AIDS Foundation	93.917	N/A	6580901	Cermak Health Services	13,934
HIV AIDS Foundation	93.917	N/A	6581101	Cermak Health Services	<u>109,575</u>
Total HIV Care Formula Grants					<u>89,423</u>
<i>Public Health Institute of Metropolitan Chicago</i>					
ARRA- Prevention and Wellness Communities Putting Prevention to Work Funding Opportunities Announcement					
Communities Putting Prevention to Work	93.724	CDC-RFA-DP09-912	7771001	Public Health	<u>445,272</u>
Total Pass-Through Programs					<u>19,560,644</u>
Total U.S. Department of Health and Human Services					<u><u>19,578,170</u></u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>					
Direct Program:					
High Intensity Drug Trafficking Areas Program					
Chicago HIDTA	95.001	N/A	6550001	Sheriff	(1)
Chicago HIDTA	95.001	N/A	6550101	Sheriff	(5)
Chicago HIDTA	95.001	N/A	6550202	Sheriff	(1)
Chicago HIDTA	95.001	N/A	6550310	Sheriff	(112,946)
Chicago HIDTA	95.001	N/A	6550312	Sheriff	(323)
Chicago HIDTA	95.001	N/A	6550313	Sheriff	(7,238)
Chicago HIDTA	95.001	N/A	6550316	Sheriff	(502)
Chicago HIDTA	95.001	N/A	6550317	Sheriff	(2,837)
Chicago HIDTA	95.001	N/A	6550404	Sheriff	(510)
Chicago HIDTA	95.001	N/A	6550407	Sheriff	(2,542)
Chicago HIDTA	95.001	N/A	6550410	Sheriff	(16,612)
Chicago HIDTA	95.001	N/A	6550415	Sheriff	(740)
Chicago HIDTA	95.001	N/A	6550502	Sheriff	(35,478)
Chicago HIDTA	95.001	N/A	6550504	Sheriff	(22,000)
Chicago HIDTA	95.001	N/A	6550505	Sheriff	(125)
Chicago HIDTA	95.001	N/A	6550506	Sheriff	(5,866)
Chicago HIDTA	95.001	N/A	6550510	Sheriff	(9,676)
Chicago HIDTA	95.001	N/A	6550511	Sheriff	(35,777)
Chicago HIDTA	95.001	N/A	6550513	Sheriff	(8,356)
Chicago HIDTA	95.001	N/A	6550514	Sheriff	(1,035)
Chicago HIDTA	95.001	N/A	6550516	Sheriff	(149,406)
Chicago HIDTA	95.001	N/A	6550518	Sheriff	(283,347)
Chicago HIDTA	95.001	N/A	6550602	Sheriff	(44)
Chicago HIDTA	95.001	N/A	6550605	Sheriff	(2,096)
Chicago HIDTA	95.001	N/A	6550608	Sheriff	(165)
Chicago HIDTA	95.001	N/A	6550610	Sheriff	(131,123)
Chicago HIDTA	95.001	N/A	6550612	Sheriff	(1,629)
Chicago HIDTA	95.001	N/A	6550613	Sheriff	(641)
Chicago HIDTA	95.001	N/A	6550617	Sheriff	(142,063)
Chicago HIDTA	95.001	N/A	6550702	Sheriff	(33,206)
Chicago HIDTA	95.001	N/A	6550703	Sheriff	195,814
Chicago HIDTA	95.001	N/A	6550706	Sheriff	(30,455)
Chicago HIDTA	95.001	N/A	6550707	Sheriff	(1,988)
Chicago HIDTA	95.001	N/A	6550710	Sheriff	(1,652)
Chicago HIDTA	95.001	N/A	6550717	Sheriff	(2,120)
Chicago HIDTA	95.001	N/A	6550802	Sheriff	(77,334)
Chicago HIDTA	95.001	N/A	6550803	Sheriff	42,215
Chicago HIDTA	95.001	N/A	6550806	Sheriff	33,271
Chicago HIDTA	95.001	N/A	6550807	Sheriff	27,155
Chicago HIDTA	95.001	N/A	6550809	Sheriff	179,304
Chicago HIDTA	95.001	N/A	6550811	Sheriff	17,615
Chicago HIDTA	95.001	N/A	6550813	Sheriff	63,940
Chicago HIDTA	95.001	N/A	6550814	Sheriff	45

See Accompanying Notes to Schedule of Expenditures of Federal Awards

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)
For the Year Ended November 30, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass-Through Grantor's Number	County Business Unit	Responsible County Department	Federal Expenditures
EXECUTIVE OFFICE OF THE PRESIDENT (Continued)					
Direct Program (Continued)					
High Intensity Drug Trafficking Areas Program (Continued):					
Chicago HIDTA	95.001	N/A	6550816	Sheriff	213,776
Chicago HIDTA	95.001	N/A	6550902	Sheriff	155,508
Chicago HIDTA	95.001	N/A	6550903	Sheriff	604,912
Chicago HIDTA	95.001	N/A	6550905	Sheriff	33,778
Chicago HIDTA	95.001	N/A	6550906	Sheriff	27,880
Chicago HIDTA	95.001	N/A	6550907	Sheriff	68,417
Chicago HIDTA	95.001	N/A	6550909	Sheriff	77,984
Chicago HIDTA	95.001	N/A	6550911	Sheriff	24,073
Chicago HIDTA	95.001	N/A	6550912	Sheriff	20,011
Chicago HIDTA	95.001	N/A	6550913	Sheriff	71,073
Chicago HIDTA	95.001	N/A	6550914	Sheriff	1,810
Chicago HIDTA	95.001	N/A	6550915	Sheriff	191,412
Chicago HIDTA	95.001	N/A	6550916	Sheriff	3,313
Chicago HIDTA	95.001	N/A	6550917	Sheriff	152,341
Chicago HIDTA	95.001	N/A	6550918	Sheriff	9,257
Chicago HIDTA	95.001	N/A	6551002	Sheriff	273,071
Chicago HIDTA	95.001	N/A	6551003	Sheriff	261,116
Chicago HIDTA	95.001	N/A	6551004	Sheriff	(2,034)
Chicago HIDTA	95.001	N/A	6551005	Sheriff	14,920
Chicago HIDTA	95.001	N/A	6551006	Sheriff	150,060
Chicago HIDTA	95.001	N/A	6551007	Sheriff	30,767
Chicago HIDTA	95.001	N/A	6551009	Sheriff	150,828
Chicago HIDTA	95.001	N/A	6551010	Sheriff	61,101
Chicago HIDTA	95.001	N/A	6551011	Sheriff	17,697
Chicago HIDTA	95.001	N/A	6551012	Sheriff	56,341
Chicago HIDTA	95.001	N/A	6551013	Sheriff	146,961
Chicago HIDTA	95.001	N/A	6551014	Sheriff	275
Chicago HIDTA	95.001	N/A	6551015	Sheriff	74,113
Chicago HIDTA	95.001	N/A	6551016	Sheriff	(19,867)
Chicago HIDTA	95.001	N/A	6551017	Sheriff	74,309
Chicago HIDTA	95.001	N/A	6551102	Sheriff	235,955
Chicago HIDTA	95.001	N/A	6551103	Sheriff	501,606
Chicago HIDTA	95.001	N/A	6551105	Sheriff	11,655
Chicago HIDTA	95.001	N/A	6551106	Sheriff	103,584
Chicago HIDTA	95.001	N/A	6551107	Sheriff	38,424
Chicago HIDTA	95.001	N/A	6551109	Sheriff	299,210
Chicago HIDTA	95.001	N/A	6551111	Sheriff	5,848
Chicago HIDTA	95.001	N/A	6551112	Sheriff	28,593
Chicago HIDTA	95.001	N/A	6551113	Sheriff	97,011
Chicago HIDTA	95.001	N/A	6551115	Sheriff	109,884
Chicago HIDTA	95.001	N/A	6551202	Sheriff	106,770
Chicago HIDTA	95.001	N/A	6551203	Sheriff	197,675
Chicago HIDTA	95.001	N/A	6551206	Sheriff	11,697
Chicago HIDTA	95.001	N/A	6551209	Sheriff	41,874
Chicago HIDTA	95.001	N/A	6551212	Sheriff	13,820
Chicago HIDTA	95.001	N/A	6551213	Sheriff	13,693
Chicago HIDTA	95.001	N/A	6560301	Sheriff	(101,470)
Chicago HIDTA	95.001	N/A	6560302	Sheriff	(34,339)
Chicago HIDTA	95.001	N/A	6560303	Sheriff	(35,775)
Chicago HIDTA	95.001	N/A	6560304	Sheriff	(35,531)
Chicago HIDTA	95.001	N/A	6560402	Sheriff	(44,971)
Chicago HIDTA	95.001	N/A	6568301	Sheriff	(9,234)
Chicago HIDTA	95.001	N/A	6880204	Sheriff	(4,044)
Chicago HIDTA	95.001	N/A	6880205	Sheriff	(51,394)
Chicago HIDTA (Non-cash)	95.001	N/A	N/A	Sheriff	3,126,916
Total High Intensity Drug Trafficking Areas Program					7,012,180
Total Office of National Drug Control Policy					7,012,180
U.S. DEPARTMENT OF HOMELAND SECURITY					
Direct Program:					
Emergency Operations Center					
Emergency Operation Center	97.052	N/A	6401001	Emergency Mgt Homeland Security	986,475
Total Direct Programs					986,475
Pass-Through Programs From:					
Illinois Emergency Management Agency					
Non-Profit Security Program					
Homeland Security	97.008	04UASICOOK	7690402	Emergency Mgt Homeland Security	(216,050)
Homeland Security	97.008	05UASICOOK	7690502	Emergency Mgt Homeland Security	(43,668)
Homeland Security	97.008	07UASICOOK	7690701	Emergency Mgt Homeland Security	(10,031)
Total Non-Profit Security Program					(269,749)
Emergency Management Performance Grants					
Emergency Management	97.042	N/A	6951001	Emergency Mgt Homeland Security	566,423
Homeland Security Grant Program					
Homeland Security	97.067	* 08UASICOOK	7690801	Emergency Mgt Homeland Security	3,981,122
Homeland Security	97.067	* 09UASICOOK	7690901	Emergency Mgt Homeland Security	10,978,896
Homeland Security	97.067	* 09UASICOOK	7690902	Emergency Mgt Homeland Security	1,533,081

See Accompanying Notes to Schedule of Expenditures of Federal Awards

COOK COUNTY, ILLINOIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CASH BASIS)
For the Year Ended November 30, 2012

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Pass-Through Grantor's Number	County Business Unit	Responsible County Department	Federal Expenditures
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
Pass-Through Programs From (Continued):					
<i>Illinois Emergency Management Agency (Continued)</i>					
Homeland Security Grant Program (Continued)					
Homeland Security	97.067	*	09UASICOOK	7691001	Emergency Mgt Homeland Security 206,208
Homeland Security	97.067	*	10UASICOOK	7691002	Emergency Mgt Homeland Security 1,023,471
Homeland Security	97.067	*	09UASICOOK	7691003	Emergency Mgt Homeland Security 8,328
Homeland Security	97.067	*	09UASICOOK	7691004	Emergency Mgt Homeland Security 37,050
Homeland Security	97.067	*	09UASICOOK	7691007	Emergency Mgt Homeland Security 709,357
Homeland Security	97.067	*	10UASICOOK	7691011	Emergency Mgt Homeland Security 140,017
Homeland Security	97.067	*	10UASICOOK	7691014	Emergency Mgt Homeland Security 89,092
Homeland Security	97.067	*	10UASICOOK	7691017	Emergency Mgt Homeland Security 9,584
Homeland Security	97.067	*	11UASICOOK	7691126	Emergency Mgt Homeland Security 5,987
Homeland Security	97.067	*	11UASICOOK	7691127	Emergency Mgt Homeland Security 17,355
					<u>18,739,548</u>
<i>Illinois Law Enforcement Alarm System</i>					
Homeland Security Grant Program					
EOC Technology	97.067	*	10ILEASEOC	6391101	Emergency Mgt Homeland Security 36,854
Total Homeland Security Grant Program					<u>18,776,402</u>
Total Pass-Through Programs					<u>19,073,076</u>
				Total U.S. Department of Homeland Security	<u>20,059,551</u>
				TOTAL EXPENDITURES OF FEDERAL AWARDS	<u>\$ 125,453,977</u>

* Denotes Major Program

COOK COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED NOVEMBER 30, 2012

NOTE 1 - FINANCIAL REPORTING

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes all Federal programs attributable to the County's reporting entity except those administered by the Forest Preserve District of Cook County and its component units.

The information in this Schedule is presented in accordance with the requirements of the Single Audit Act Amendments of 1996 and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*". Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Federal awards received directly from Federal agencies, as well as the Federal portion of grants passed through non-federal agencies, are included in the Schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule has been prepared on the cash basis of accounting in which expenditures are recorded when actually paid.

Accordingly, the accompanying Schedule is not intended to present financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America.

NOTE 3 - MAJOR PROGRAMS

Major programs are those programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs, which were determined using a risk based approach in accordance with the requirements of OMB Circular A - 133.

NOTE 4 - PAYMENTS TO SUBRECIPIENTS

The County provided expenditures of Federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
CDBG-Entitlement Grants Cluster:		
Community Development Block Grant/Entitlement Grants	14.218	\$ 9,829,393
Neighborhood Stabilization Program 1 (NSP 1)	14.218	5,433,521
ARRA - Community Development Block Grant		
ARRA Entitlement Grants	14.253	699,436
Emergency Shelter Grants Program	14.231	496,658
HOME Investment Partnership	14.239	1,411,575
ARRA -Homelessness Prevention and Rapid Re-Housing		
Program	14.257	329,397
Juvenile Accountability Block Grants	16.523	449,561

COOK COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

NOTE 4 – PAYMENTS TO SUBRECIPIENTS (Continued)

Internet Crimes	16.543	58,377
ARRA - Violence Against Women Formula Grants	16.588	129,164
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	40,487
JAG Program Cluster:		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1,229,513
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	6,002
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	157,257
Congressionally Recommended Award	16.753	215,625
Second Chance Act Prisoner Reentry Initiative	16.812	789,828
WIA Cluster:		
WIA Adult Program	17.258	3,098,026
WIA Youth Activities	17.259	2,648,456
WIA Dislocated Worker Formula Grants	17.278	4,967,907
Public Health Emergency Preparedness	93.069	50,000
Homeland Security Grant Program	97.067	1,597,595
		<u>\$ 33,637,778</u>

NOTE 5 – NON-CASH AWARDS

Non-cash awards identified during the current period have been included in the Schedule. The County had no non-cash Federally-funded insurance, and loans and/or loan guarantees in effect during fiscal year 2012.

NOTE 6 – NEGATIVE EXPENDITURES

The Schedule includes negative amounts that result from timing differences caused by the process of authorizing new grants and assigning business units. The County assigns each new grant a business unit. Expenditures for new grants are accumulated in the prior year's grant/business unit until the new grant/business unit has been authorized/assigned. Once the new grant/business unit has been authorized/assigned, expenditures applicable to the new grant, previously recorded in the prior year grant/business unit, are transferred to the new business unit. When the authorization of a new grant occurs in the subsequent fiscal year (after the normal year-end closing), the transfer of the expenditures from the prior year business unit to the new grant/business unit results in a negative expenditure in the prior year business unit.

During the current fiscal year, the County performed an analysis of grants that remained open but had no activity and anticipated no future activities. This analysis resulted in additional credits to the Schedule to correct grant amounts which were determined to be over expended in prior fiscal years.

COOK COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

NOTE 7 – DCEO AUDITS

The Illinois Department of Commerce & Economic Opportunity (DCEO) issued its report (dated July 28, 2011 of the Workforce Investment Act (WIA) fiscal monitoring findings identified for the period of 06/16/2010 through 06/30/2011 at the President's Office of Employment Training (POET) and its successor agency, Cook County Works¹.

The letter detailed findings on POET and sixteen (16) service providers that resulted in POET questioned costs of \$529,478, POET disallowed costs of \$128,188, and service provider questioned costs of \$890,460.

The letter requested a written response from POET regarding these findings and corrective actions by August 23, 2011 and that the corrective actions contained in the response are implemented by September 3, 2011 or as specified in the corrective action, if earlier. Any additional eligibility documentation was to be submitted no later than August 23, 2011.

POET submitted a response to DCEO on August 23, 2011. Based on determinations made by DCEO and the U.S. Department of Labor (U.S. DOL), POET was assessed disallowed costs in the amount of \$1,562,820 pertaining to the 2009 Summer Youth program which was funded with ARRA funds.

In January 2011, in accordance with directives issued to the previous administration to reorganize POET, the Preckwinkle administration began assessing numerous aspects of POET's operations and management, including staffing, fiscal and programmatic policies and procedures. During the course of this review, the administration became aware of allegations of fraud within the 2009 and 2010 Summer Youth Programs.

This matter was then turned over to the County's Independent Inspector General and subsequently taken over by the U.S. Attorney's Office (U.S. A.O.) for investigation. It is worth noting that as a result of state programmatic audit findings released in 2010, POET's 2009 and 2010 Summer Youth Programs had been under investigation by the U.S DOL's Office of the Inspector General. U.S. DOL, in conjunction with the U.S. A.O, conducted a thorough review of these programs which resulted in the indictment of four former POET employees and subsequent guilty pleas. Disallowed costs for 2010 have yet to be determined. The County will ultimately be liable for any disallowed costs stemming from the Federal investigation.

As a result of the agency's history and high risk status, POET was completely restructured and renamed Cook County Works (CCW). Effective December 2, 2011, CCW ceased to operate as a direct service provider and focused exclusively on the administration of the Workforce Investment Act grant, while developing programming aimed at aligning job training with existing and projected employment opportunities for Cook County residents.

¹ Cook County Works was officially launched on December 2, 2011 as the successor agency to POET. The restructured agency ceased to provide case management/direct services to employment training clients in accordance with DCEO's mandated restructuring.

COOK COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

NOTE 7 – DCEO AUDITS (Continued)

In October 2011, Cook County Board President Toni R. Preckwinkle announced that the City and County's workforce systems would combine to create one unified system for all of Cook County, inclusive of the City of Chicago. The new administrative agency, The Chicago Cook Workforce Partnership, was launched on July 1, 2012.

As detailed in numerous Inter-governmental Agreements, the County, the City, and the State of Illinois agreed to be responsible for any deficiencies or acts of the prior-existing workforce administrative agencies.

NOTE 8 – HUD AUDITS

Cook County's HOME program was monitored in December of 2011. The monitoring resulted in four Findings and two Concerns. A letter conveying the results of the review was provided to Cook County on February 28, 2012. The Findings included the County not adhering to site/neighborhood standards, record maintenance, on-site inspections and eligibility records. HUD received a response letter from the County dated March 28, 2012.

The Findings have not, yet, been resolved. The County is in consultation with HUD staff to clear the Findings. HUD is in the process of reviewing a draft of the County's most current monitoring response and providing technical assistance before the County makes its final response

***County Response:** The County has addressed these findings in a response dated April 11, 2013 and is currently awaiting a formal clearance letter from HUD and will follow-up immediately regarding anticipated receipt of said clearance.*

NOTE 9 – U.S. DEPARTMENT OF HOMELAND SECURITY AUDIT

The U.S. Department of Homeland Security's (DHS) Office of the Inspector General (OIG) issued a draft audit report in August 2011. Under the direction of the new Executive Director of the Cook County Department of Homeland Security and Emergency Management (DHSEM), the DHSEM conducted an internal audit of the program and provided the DHS OIG with comments on the draft report in late September 2011. The final report was issued by the DHS OIG in December 2011. This report contained four (4) recommendations and concluded that the Federal Emergency Management Agency (FEMA), the State of Illinois, the Urban Area Working Group, and Cook County did not ensure the effective implementation of Project Shield. As of the date of this report, the DHSEM continues to work with the Illinois Emergency Management Agency and the U.S. DHS to resolve the findings outlined in the OIG Audit Report.

COOK COUNTY, ILLINOIS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

NOTE 10 – SUBSEQUENT EVENT

HUD Loan Guarantee Program

Cook County received approval from the U.S. Department of Housing and Urban Development (HUD) for a \$30 million loan guarantee program to finance four types of sustainable development. They are: transit-oriented, mixed-use developments within a half-mile of passenger rail; cargo-oriented projects near freight rail lines and terminals; mixed-use hospitality/service sector projects near transit lines and business development loans.

Also known as the Section 108 Loan Pool, BUILT (Broadening Urban Investment to Leverage Transportation) in Cook will allow the County to borrow money from private investors at reduced interest rates to promote economic development, stimulate job growth and improve public facilities. Such public investment is often needed to inspire private contributions, to provide seed money, or to simply boost confidence that many private firms and individuals need to invest in distressed areas.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

To the Board of Commissioners of
Cook County, Illinois

Compliance

We have audited **Cook County, Illinois'** (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major Federal programs for the year ended November 30, 2012. The County's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Cook County Sheriff's Police Department and the Office of the State's Attorney. The Cook County Sheriff's Police Department received \$1,955,323 Federal forfeiture awards, which is not included in the Schedule during the year ended November 30, 2012. The Office of the State's Attorney reported that its expenditures of Federal forfeiture awards for the year ended November 30, 2012 was below the threshold required for an audit in accordance with OMB Circular A-133. Our audit, described below, did not include the Federal forfeiture awards of the Cook County Sheriff's Police Department because the department engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance

with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended November 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2012 – 1, 2012 – 3, 2012 – 4, 2012 – 5, 2012 – 6, 2012 – 7, 2012 – 8, 2012 – 9, 2012 – 10, 2012 – 11, 2012 – 12, 2012 – 13, 2012 – 14, 2012 – 15, 2012 – 16, 2012 – 17, 2012 – 18, 2012 – 19, 2012 – 20, and 2012 – 21.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 2012 – 2, 2012 – 3, 2012 – 4, 2012 – 5, 2012 – 6, 2012 – 7, 2012 – 8, 2012 – 9, 2012 – 10, 2012 – 12, 2012 – 13, 2012 – 14, 2012 – 15, 2012 – 16, 2012 – 17, 2012 – 18, 2012 – 19, 2012 – 20, and 2012 – 21. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the County's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the County's compliance but not to provide an opinion on the effectiveness of the County's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, reading "Washington, Pittman & McKeever, LLC". The signature is written in a cursive, flowing style.

WASHINGTON, PITTMAN & McKEEVER, LLC

**Chicago, Illinois
May 31, 2013**

COOK COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED NOVEMBER 30, 2012

SECTION I- SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Other auditor issued an unqualified opinion.

Internal control over financial reporting:

- Material weakness (es) identified? ☒ yes ☐ none reported
- Significant deficiencies identified ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? ☐ yes ☒ no
- Significant deficiencies identified ☒ yes ☐ none reported

An unqualified opinion was issued on the County's compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☒ yes ☐ no

COOK COUNTY, ILLINOIS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS (Continued)

The following major programs were tested:

Program Name	CFDA #
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
CDBG – Entitlement Grants Cluster:	
Community Development Block Grants/Entitlement Grants	14.218
Neighborhood Stabilization Program 1 (NSP 1)	14.218
ARRA - Community Development Block Grant	
ARRA Entitlement Grants	14.253
HOME Investment Partnerships Program	14.239
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257
Violence Against Women Formula Grants	16.588
ARRA - Violence Against Women Formula Grants	16.588
JAG Program Cluster:	
Edward Byrne Memorial Justice Assistance Grant Program	16.738
ARRA - Edward Byrne Memorial Justice Assistance	
Grant (JAG) Program/ Grants to States and Territories	16.803
WIA Cluster:	
WIA Adult Program	17.258
ARRA - WIA Adult Program	17.258
WIA Youth Activities	17.259
ARRA - WIA Youth Activities	17.259
WIA Dislocated Workers ⁱ	17.260
ARRA - WIA Dislocated Workers	17.260
WIA Dislocated Worker Formula Grants	17.278
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128
Homeland Security Grant Program	97.067

The threshold for distinguishing Type A and Type B programs was \$3,000,000.

Auditee qualified as a low-risk auditee? No

COOK COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

SECTION II: FINANCIAL STATEMENT FINDINGS

The financial statement findings are included in the Summary of Basic Financial Statement Findings with the Independent Auditor's Report on the Basic Financial Statements.

ⁱ Currently, CFDA 17.260 represents both the WIA Dislocated Worker formula grants and the National Emergency Grants (NEGs). Beginning in Program Year 2011 (i.e., grants awarded after July 1, 2011), CFDA 17.260 will be archived and any new funds allocated through these two programs will be referenced using two new CFDA numbers: 17.277 for NEGs and 17.278 for WIA Dislocated Formula Grants.

COOK COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

SECTION III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Allowable Costs/Internal Administrative and Accounting Controls

Federal Department – Various

Passed-through Agencies – Various

**County Departments – Office of the Comptroller, Department of Budget and Management
Services and Various Others**

Finding 2012 – 1

Questioned Costs: None

CRITERIA

2 CFR Part 225 (OMB Circular A-87), Appendix C, requires that all local governments claiming central service costs must develop a cost allocation plan in accordance with the requirements described in this Circular and retain the plan and related supporting documentation for audit. "Each local government that has been designated as a "major local government" by the Office of Management and Budget (OMB) is also required to submit a plan to its cognizant agency annually. OMB periodically lists major local governments in the Federal Register." "All central service cost allocation plans will be prepared and, when required, submitted within six months prior to the beginning of each of the governmental unit's fiscal years in which it proposes to claim central service costs. Extensions may be granted by the cognizant agency on a case-by-case basis." "All proposed plans must be accompanied by the following: an organization chart sufficiently detailed to show operations including the central service activities of the State/local government whether or not they are shown as benefiting from central service functions; a copy of the Comprehensive Annual Financial Report (or a copy of the Executive Budget if budgeted costs are being proposed) to support the allowable costs of each central service activity included in the plan; and, a certification that the plan was prepared in accordance with this Circular, contains only allowable costs, and was prepared in a manner that treated similar costs consistently among the various Federal awards and between Federal and non-federal awards/activities."

"For each allocated central service, the plan must also include the following: a brief description of the service, an identification of the unit rendering the service and the operating agencies receiving the service, the items of expense included in the cost of the service, the method used to distribute the cost of the service to benefited agencies, and a summary schedule showing the allocation of each service to the specific benefited agencies. If any self-insurance funds or fringe benefits costs are treated as allocated (rather than billed) central services, documentation shall also be included."

CONDITION

The County's County-wide cost allocation plan (CAP) was received by its cognizant agency, the U.S. Department of Housing and Urban Development (HUD) subsequent to the end of the current Fiscal year. HUD granted the County an extension until December 12, 2012 to submit the 2012 CAP.

The CAP submitted by the County did not comply with the requirements of OMB Circular A-87.

**Allowable Costs/Internal Administrative and Accounting Controls
Federal Department – Various
Passed-through Agencies – Various
County Departments – Office of the Comptroller, Department of Budget and Management
Services and Various Others
Finding 2012 – 1 (Continued)**

CONTEXT

During our test procedures we noted the following:

- The certification included with the CAP did not refer to the correct Fiscal Year.
- The CAP did not contain the required organizational chart sufficiently detailed to show operations including the central service activities of the County, and whether or not they are shown as benefiting from central service functions.
- We requested and were not provided documentation supporting the amounts and methodologies contained in the CAP.

CAUSE

Based on discussions with County management, the primary staff responsible for preparation of the CAP is no longer with the County. The timing of this staff turnover impacted the submission of the CAP as well as the maintenance of adequate supporting documentation.

EFFECT

The failure to submit the organizational chart as required is a violation of Federal regulations. The failure to adequately maintain documentation supporting the amounts and methodologies contained in the CAP could result in unallowable costs being allocated to the County's Federally-funded programs.

RECOMMENDATION

We recommend the County allocate the appropriate resources to ensure that all costs of centralized services charged to Federal programs are supported by a current centralized CAP that meets the requirements described in OMB Circular A-87. Submitted CAP's should include a transmittal letter documenting the date of submission and all included documents that are required by Federal regulations.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The County's corrective action plan is on page 71.

**Special Tests and Provisions, Commodities
Federal Department – U.S. Department of Agriculture
Passed-through the Illinois State Board of Education
Child Nutrition Cluster:**

School Breakfast Program, CFDA # 10.553

National School Lunch Program (NSLP), CFDA # 10.555

County Department – Juvenile Temporary Detention Center

Finding 2012 – 2

Questioned Costs: None

CRITERIA

Federal regulations (7 CFR Section 250.14(e)) require sub-grantees to take a physical inventory of all storage facilities. Such inventory shall be reconciled annually with the storage facility's inventory records and maintained on file by the agency. Corrective action shall be taken immediately on all deficiencies and the results of the corrective action forwarded to the distributing agency.

The Juvenile Temporary Detention Center's (JTDC) Policies and Procedure Manual (Policy # 2.13) requires them to: 1) Maintain an accurate inventory record for government food commodities which shall be kept separate from the purchased food inventory. Government commodities shall be utilized before purchased food; 2) Conduct a monthly inventory to be submitted five business days after the end of each month, and 3) Conduct a yearly inventory no later than December 10th of each year.

CONDITION

During the current audit period, the JTDC failed to comply with 7 CFR Section 250.14 and its policy # 2.13.

CONTEXT

Based on our review, we were unable to obtain evidence that a physical inventory of commodities was completed during the current year. As a result, we could not determine if the physical inventory was reconciled with JTDC's Inventory Report.

EFFECT

Failure to perform a physical inventory and reconcile the physical inventory to the inventory records is a violation of Federal regulations and could result in the misstatement of perpetual records and the improper distribution or loss of purchased and/or donated commodities.

CAUSE

Based on discussions with County management, staff was unaware of the requirement to maintain sufficient documentation of monthly commodity inventory by the food services department.

Special Tests and Provisions, Commodities
Federal Department – U.S. Department of Agriculture
Passed-through the Illinois State Board of Education
Child Nutrition Cluster:
 School Breakfast Program, CFDA # 10.553
 National School Lunch Program (NSLP), CFDA # 10.555
County Department – Juvenile Temporary Detention Center
Finding 2012 – 2 (Continued)

RECOMMENDATION

We recommend JTDC's management adhere to its written policies and implement procedures to ensure that an annual physical inventory is conducted and reconciled with inventory records in accordance with Federal regulations and Policy # 2.13.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The County's Corrective Action Plan is on pages 72-73.

Davis-Bacon Act
Federal Department – U.S. Department of Housing and Urban Development
CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**
- **ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R), CFDA #14.253**

County Department – Department of Planning and Development
Finding 2012 – 3 **Questioned Costs: None**

CRITERIA

In accordance with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"), non-federal entities shall include in their construction contracts a requirement that the contractor or subcontractor comply with the Davis-Bacon Act. This includes a requirement for the contractor or subcontractor submit to the non-federal entity weekly, for each week in which any contract work is performed, a certified copy of the payroll and a statement of compliance (29 CFR sections 5.5 and 5.6).

OMB Circular A-133 Subpart C Section .300(b) requires auditees to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of the contracts or grant agreements that could have a material effect on each of its Federal programs.

The Community Development Block Grant (CDBG) program Procedures and Operations Guide, Chapter 3.4 – Project Management, requires that pre-construction conferences are held for all construction projects.

Davis-Bacon Act

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**
- **ARRA - ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R), CFDA #14.253**

County Department – Department of Planning and Development

Finding 2012 – 3 (Continued)

CONDITION

During the current audit period, the Department of Planning and Development (DPD) did not adequately document its compliance with Federal Davis-Bacon requirements for the CDBG program.

CONTEXT

Based on our testing, we noted no evidence of review of weekly certified payrolls for ten (10) of the fourteen (14) contractors' files selected.

We also noted no evidence of a preconstruction conference held for three (3) of the files tested.

EFFECT

Failure to review certified payrolls submitted by contractors is a violation of Federal regulations and impairs the DPD's ability to adequately monitor the Federally funded program. The failure to hold preconstruction conferences impacts the communication of Federal requirements and could result in violations of Federal regulations.

CAUSE

Based on discussions with management, it appears that these certified payrolls are collected and reviewed. However, documentation of this review was not consistently prepared and placed in the related files. Similarly, preconstruction conferences are held for every capital project. However, standardized documentation such as an agenda and sign-in sheet are not consistently prepared and placed in the related files.

RECOMMENDATIONS

We recommend the DPD establish written policies and procedures to ensure its compliance with the Davis-Bacon Act requirements and ensure the documentation of procedures performed are appropriately maintained. Also, we recommend that current staff is appropriately trained. In addition, supporting documentation on preconstruction conferences held should be maintained.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 74.

Reporting

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**
- **ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R), CFDA #14.253**

County Department – Department of Planning and Development

Finding 2012 – 4

Questioned Costs: None

CRITERIA

Per the Addendum to the Program Year 2012 Grant Agreement for CDBG, the grantee shall comply with requirements established by the Office of Management and Budget (OMB) concerning Federal Funding Accountability and Transparency Act, including Appendix A to Part 170 of the *Requirements for Federal Funding Accountability and Transparency Act Implementation*, to be codified at 2 CFR 170.

Per 2 CFR Part 170.320, Federal financial assistance subject to the Transparency Act means assistance that non-federal entities described in §170.105 receive or administer in the form of (a) Grants; (b) Cooperative agreements (which does not include cooperative research and development agreements pursuant to the Federal Technology Transfer Act of 1986, as amended (15 U.S.C. 3710a)); (c) Loans; (d) Loan guarantees; (e) Subsidies; (f) Insurance; (g) Food commodities; (h) Direct appropriations; (i) Assessed and voluntary contributions; and (j) Other financial assistance transactions that authorize the non-federal entities' expenditure of Federal funds.

Also, Appendix A to Part 170 I. Reporting Subawards and Executive Compensation a.1 *Applicability* states that unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111–5) for a subaward to an entity (see definitions in paragraph e. of this award term) no later than the end of the month following the month in which the obligation was made.

CONDITION

During the current audit period, the Department of Planning and Development (DPD) did not comply with Federal reporting requirements.

CONTEXT

During our testing, we noted DPD did not submit the Subaward Reporting Under Transparency Act - Non ARRA Report for FY 2012.

EFFECT

Failure to submit the required report is a violation of Federal requirements.

Reporting

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**
- **ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R), CFDA #14.253**

County Department – Department of Planning and Development

Finding 2012 – 4 (Continued)

CAUSE

Based on discussions with management, new management in the Department was not aware of the Subaward Reporting Under Transparency Act reporting requirement until late 2012.

RECOMMENDATION

We recommend the DPD comply with Federal reporting regulations by establishing and implementing written policies and procedures to ensure accurate preparation, review and approval of required reports.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 75.

Subrecipient Monitoring

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**
- **ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R), CFDA #14.253**

County Department – Department of Planning and Development

Finding 2012 – 5

Questioned Costs: None

CRITERIA

Circular No. A-133, Subpart D – Federal Agencies & Pass-through Entities, §___.400(d)(3) requires that pass-through entities must monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

OMB Circular A-133 Subpart D Section .400 (d) requires pass-through entities to: (1) identify Federal awards made by informing each subrecipient of Catalog of Federal Domestic Assistance (CFDA) title and number, award name and number, award year; (2) advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity; (3) monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant

Subrecipient Monitoring

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**
- **ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R), CFDA #14.253**

County Department – Department of Planning and Development

Finding 2012 – 5 (Continued)

CRITERIA (Continued)

agreements and that performance goals are achieved; (4) ensure that subrecipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year; (5) issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action; (6) consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records; and (7) require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

Also, OMB Circular A-133 Subpart D Section .405(a) states that the management decision shall clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. If the auditee has not completed corrective action, a timetable for follow-up should be given. Prior to issuing the management decision, the Federal agency or pass-through entity may request additional information or documentation from the auditee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs. The management decision should describe any appeal process available to the auditee.

Per the County's subrecipient contract agreements, projects must be completed within twelve months from the "Notice to Proceed" (NTP) date. If projects are not completed within the required time frame the subrecipient should communicate the delay to the Department of Planning and Development (DPD). If the delay is considered reasonable a waiver is issued granting an extension.

CONDITION

During the current audit period, the DPD did not adequately document its procedures for the monitoring of subrecipients, which resulted in the noncompliance with Federal regulations. Also, there were no procedures to ensure timely completion of projects.

CONTEXT

During our review of fifty-five (55) subrecipients' files, we noted the following:

- Eight (8) subrecipients' files had no documentation of review of A-133 audits received. The DPD did not issue a management decision on audit findings in accordance with OMB Circular A-133 Subpart D Section .405(a), nor did the DPD ensure the subrecipient took appropriate corrective actions on all audit findings.

Subrecipient Monitoring

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**
- **ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R), CFDA #14.253**

County Department – Department of Planning and Development

Finding 2012 – 5 (Continued)

CONTEXT (Continued)

- Fourteen (14) subrecipients' contracts did not contain the CFDA number.
- Eighteen (18) subrecipient files did not document whether the DPD performed the required annual on-site review and monitoring visit for projects either open or completed during FY 2012.

During our testing of thirty-five (35) project files (25 completed and 10 open projects) during fiscal year 2012, we noted the following:

- Three (3) projects remained open beyond the twelfth month of the notice to proceed (NTP) completion date requirement. Also, we noted no waiver issued granting an extension.
- Due to lack of documentation, we were unable to determine when the project was completed for eight (8) projects.

EFFECT

Failure to adequately monitor the activities and performance of subrecipients could result in Federal awards being used for unauthorized purposes and the DPD's inability to adequately perform risk assessments on subrecipients.

Failure to complete projects or services in the stated allowable time is a violation of the contract agreement and impairs various communities' ability to benefit from the project or service. Additionally, failure to complete projects timely impacts the DPD's ability to carry out its CDBG activities and certifications in accordance with Federal regulations (24 CFR sections 570.901 and 570.902).

CAUSE

Based on discussions with management, the implementation of new and written procedures in compliance with OMB Circular A-133 did not begin until the end of the Fiscal Year due to staff turnover.

Subrecipient Monitoring

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**
- **ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R), CFDA #14.253**

County Department – Department of Planning and Development

Finding 2012 – 5 (Continued)

RECOMMENDATION

We recommend the DPD review and update established policies and procedures for monitoring its subrecipients that includes at a minimum: 1) ensuring all required subrecipient audit reports are received and reviewed timely; 2) maintain documentation on reviews of subrecipients A-133 audits, and where applicable, issue timely management decisions on audit findings to inform subrecipients of needed corrective actions; and 3) ensuring all subrecipient contracts includes all applicable Federal requirements.

In addition, the written policies and procedures should include a clarification of the NTP start date and should ensure that all projects not commencing in a timely manner are adequately documented and include the reason for the delay, any extensions approved and granted, as well as other actions taken.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 76.

Special Tests and Provisions

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**
- **ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R), CFDA #14.253**

County Department – Department of Planning and Development

Finding 2012 – 6

Questioned Costs: None

CRITERIA

Federal regulation (24 CFR Section 91.105(d) (1)) states "The citizen participation plan must provide citizens with reasonable notice and an opportunity to comment on performance reports. The citizen participation plan must state how reasonable notice and an opportunity to comment will be given. The citizen participation plan must provide a period, not less than 15 days, to receive comments on the performance report that is to be submitted to the U.S. Department of Housing and Urban Development (HUD) before its submission."

OMB Circular A-133 Subpart C Section .300(b) requires auditees to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of the contracts or grant agreements that could have a material effect on each of its Federal programs.

Special Tests and Provisions

Federal Department – U.S. Department of Housing and Urban Development

CDBG – Entitlement Grants Cluster:

- **Community Development Block Grants/Entitlement Grants (CDBG), CFDA #14.218**
- **ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R), CFDA #14.253**

County Department – Department of Planning and Development

Finding 2012 – 6 (Continued)

CONDITION

During the current audit period, Department of Planning and Development (DPD) did not adequately ensure municipalities receiving funds provided citizens with reasonable notice and an opportunity to comment on performance reports, within the 15 day minimum period.

CONTEXT

During our test of 7 subrecipients' files, we noted no evidence that municipalities held a performance meeting that provided an opportunity for citizens to comment within the 15 days minimum period prior to the DPD's submission of the performance report to HUD.

Also, the DPD does not have a tracking or monitoring system in place to ensure municipalities held the required performance meeting prior to DPD's submission of the performance report to HUD.

In November 2012 the DPD changed its procedures to no longer require municipalities to hold performance meetings. However, we were provided no evidence of DPD's documentation of the new policy to ensure compliance with the December 2012 submission of the performance report to HUD.

EFFECT

Failure to maintain supporting documentation of the required performance meeting prior to DPD's submission of the performance report to HUD impairs the grantor agency's ability to monitor DPD's program performance.

CAUSE

Based on discussions with management, this occurred due to a change in the policy to no longer require municipalities to hold performance meetings. This change occurred near the end of the current year which did not allow adequate time for the implementation of the new policy.

RECOMMENDATION

We recommend DPD immediately implement its new policies and procedures to ensure compliance with Federal regulations and maintain adequate supporting documentation of the completion and review of the citizen participation plan as required.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 77.

Davis-Bacon Act**Federal Department – U.S. Department of Housing and Urban Development****Home Investment Partnerships Program (HOME), CFDA #14.239****County Department – Department of Planning and Development****Finding 2012 – 7****Questioned Costs: None**

CRITERIA

In accordance with the requirements of the Davis-Bacon Act and the U. S. Department of Labor (DOL) regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction”), non-federal entities shall include in their construction contracts a requirement that the contractor or subcontractor comply with the Davis-Bacon Act. This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a certified copy of the payroll and a statement of compliance (29 CFR sections 5.5 and 5.6).

OMB Circular A-133 Subpart C Section .300(b) requires auditees to maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of the contracts or grant agreements that could have a material effect on each of its Federal programs.

CONDITION

During the current audit period, Department of Planning and Development (DPD) did not adequately document its compliance with Federal Davis-Bacon requirements for the HOME program.

CONTEXT

Based on our testing of seven (7) contractors’ files, we reviewed fourteen (14) certified payrolls and noted no evidence of review for the 14 certified payrolls.

EFFECT

Failure to review certified payrolls submitted by contractors is a violation of Federal regulations and impairs DPD’s ability to adequately monitor the Federally funded program.

CAUSE

Based on discussions with management, this situation was the result of staff turnover and the unfamiliarity with Federal Davis-Bacon requirements by current staff.

RECOMMENDATIONS

We recommend the DPD establish policies and procedures to ensure its compliance with the requirements of the Davis Bacon Act. These policies and procedures should ensure certified payrolls are reviewed timely and the documentation of procedures performed is appropriately maintained. Also, we recommend that current staff is appropriately trained.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County’s Corrective Action Plan is on page 78.

Eligibility/Special Tests and Provisions**Federal Department – U.S. Department of Housing and Urban Development****Home Investment Partnerships Program (HOME), CFDA #14.239****County Department – Department of Planning and Development****Finding 2012 – 8****Questioned Costs: Unknown**

CRITERIA**Eligibility**

The HOME Program has income targeting requirements. Only low-income or very low-income persons, as defined in 24 CFR Section 92.2, can receive housing assistance (24 CFR Section 92.1). Therefore, the participating jurisdiction must determine if each family is income eligible by determining the family's annual income, as provided for in 24 CFR Section 92.203. Participating jurisdictions must maintain records for each family assisted (24 CFR section 92.508).

The income determinations are as follows:

(a) The HOME program has income targeting requirements for the HOME program and for HOME projects. Therefore, the participating jurisdiction must determine each family is income eligible by determining the family's annual income.

(1) For families who are tenants in HOME-assisted housing and not receiving HOME tenant-based rental assistance, the participating jurisdiction must initially determine annual income using the method in paragraph (a)(1)(i) of this section. For subsequent income determinations during the period of affordability, the participating jurisdiction may use any one of the following methods in accordance with § 92.252(h) :

(i) Examine the source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family.

(ii) Obtain from the family a written statement of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate. The certification must state that the family will provide source documents upon request.

(iii) Obtain a written statement from the administrator of a government program under which the family receives benefits and which examines each year the annual income of the family. The statement must indicate the tenant's family size and state the amount of the family's annual income; or alternatively, the statement must indicate the current dollar limit for very low- or low-income families for the family size of the tenant and state that the tenant's annual income does not exceed this limit.

(2) For all other families, the participating jurisdiction must determine annual income by examining the source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family.

(b) When determining whether a family is income eligible, the participating jurisdiction must use one of the following three definitions of "annual income":

(1) "Annual income" as defined at 24 CFR 5.609 (except when determining the income of a homeowner for an owner-occupied rehabilitation project, the value of the homeowner's principal residence may be excluded from the calculation of Net Family Assets); or

(2) Annual Income as reported under the Census long-form for the most recent available decennial Census. This definition includes:

(i) Wages, salaries, tips, commissions, etc.;

(ii) Self-employment income from owned non-farm business, including proprietorships and partnerships;

(iii) Farm self-employment income;

Eligibility/Special Tests and Provisions
Federal Department – U.S. Department of Housing and Urban Development
Home Investment Partnerships Program (HOME), CFDA #14.239
County Department – Department of Planning and Development
Finding 2012 – 8 Continued)

CRITERIA (Continued)

Eligibility (Continued)

- (iv) Interest, dividends, net rental income, or income from estates or trusts;
 - (v) Social Security or railroad retirement;
 - (vi) Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;
 - (vii) Retirement, survivor, or disability pensions; and
 - (viii) Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony; or
- (3) Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes.

Special Tests and Provisions

During the period of affordability (i.e., the period for which the non-federal entity must maintain subsidized housing) for HOME assisted rental housing, the participating jurisdiction must perform on-site inspections to determine compliance with property standards and verify the information submitted by the owners no less than: (a) every three years for projects containing 1 to 4 units, (b) every two years for projects containing 5 to 25 units, and (c) every year for projects containing 26 or more units. The participating jurisdiction must perform on-site inspections of rental housing occupied by tenants receiving HOME-assisted tenant-based rental assistance to determine compliance with housing quality standards (24 CFR sections 92.251, 92.252, and 92.504(b)).

CONDITION

During the current audit period, the Department of Planning and Development (DPD) did not adequately document its compliance with Federal eligibility and special tests and provisions requirements for the HOME program.

CONTEXT

We selected nine (9) multi-family units. From these 9 units, we tested twenty-seven (27) tenants (three tenants from each of the 9 multi-family units selected). Based on our testing, we noted the following:

Eligibility

During the audit period, DPD embarked on a major revision of its long-term rental housing monitoring policies, processes, and procedures to include the following components:

1. Desk reviews
2. Physical inspections
3. On-site file reviews

Eligibility/Special Tests and Provisions
Federal Department – U.S. Department of Housing and Urban Development
Home Investment Partnerships Program (HOME), CFDA #14.239
County Department – Department of Planning and Development
Finding 2012 – 8 Continued)

CONTEXT (Continued)

Eligibility (Continued)

This revision, which is ongoing, is expected to be completed by the end of 2013. During our testing of nine units during for the current period, we noted desk reviews were performed. However, we noted no documentary evidence of eligibility determinations for any of the 27 tenants tested, which would have occurred during the on-site review phase.

Special Tests and Provisions

There was no documentary evidence of any on-site physical inspections of eight (8) units tested during the current year.

EFFECT

Failure to adequately perform the required eligibility determinations and physical inspections is a violation of Federal regulations.

CAUSE

Based on discussions with management, this situation is the result of administrative oversight.

RECOMMENDATIONS

We recommend DPD implement its policies and procedures to ensure its compliance with HOME eligibility and special tests and provisions requirements, and, ensure that the documentation of procedures performed are appropriately maintained.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 79.

Eligibility

Federal Department – U.S. Department of Housing and Urban Development

ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP), CFDA # 14.257

County Department – Department of Planning and Development

Finding 2012 – 9

Questioned Costs: None

CRITERIA

The U.S. Department of Housing and Urban Development (HUD) HPRP Eligibility Determination and Documentation Guidance (“the HUD Guide” revised August 2011), states in order to receive HPRP-funded Financial Assistance and/or Housing Relocation and Stabilization Services, a household must meet at least the following minimum criteria:

1. **Initial Consultation & Eligibility Determination:** the household must receive at least an initial consultation and eligibility assessment with a case manager or other authorized representative who can determine eligibility and the appropriate type of assistance needed;
2. **Income:** the household’s total income must be at or below 50 percent of Area Median Income (AMI);
3. **Housing Status:** the household must be either homeless (to receive rapid re-housing assistance) **OR** at risk of losing its housing (to received homelessness prevention assistance);

In addition to assessing and documenting income and the current housing situation of applicant housings, grantees and subgrantees must also assess whether the household would be homeless “But for” HPRP assistance. This requires grantees and subgrantees to work with participants to assess and document the additional three circumstances listed below:

- a. No appropriate subsequent housing options have been identified;
- b. The household lacks the financial resources to obtain immediate housing or remain in its existing housing; and
- c. The household lacks support networks needed to obtain immediate housing or remain in its existing housing.

HUD requires grantees and/or subgrantees to evaluate and certify the eligibility of HPRP program participants at entrance into the program and at least once every 3 months for all households receiving HPRP medium-term rental assistance or other HPRP services (e.g. case management) lasting longer than 3 months.

The HUD Guide also requires that the Staff Certification of Eligibility for HPRP Assistance must be maintained in each HPRP participant’s file and is subject to review by HUD. Grantees must use the HUD-specific form (including the HUD logo), and not simply reproduce copies that incorporate HUD’s prescribed language. The Staff Certification must be completed for each household deemed eligible for HPRP assistance. This form certifies that the household meets all eligibility criteria for HPRP assistance, that true and complete information was used to determine eligibility, and that no conflict of interest exists related to the provision of HPRP assistance. The Staff Certification of Eligibility form must be completed and signed by the person determining eligibility and his or her supervisor for all households determined eligible or recertified on or after November 1, 2009. A new Staff Certification is only required if a different staff person re-certifies eligibility at a later date.

Eligibility

Federal Department – U.S. Department of Housing and Urban Development

ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP), CFDA # 14.257

County Department – Department of Planning and Development

Finding 2012 – 9 (Continued)

CRITERIA (Continued)

In addition, the HUD Guide states a written lease is required for all program participants receiving on-going financial assistance and staff must document efforts to obtain a written lease. If a written lease does not exist and/or cannot be adequately documented, a new written lease must be executed and documented in the case file before any on-going financial assistance is provided. Grantees and subgrantees should note that while HUD allows for various types of documentation, self-declaration and third-party verification of an oral lease cannot be used as a substitute for a written lease when providing on-going financial assistance.

CONDITION

During the current audit period, the Department of Planning and Development (DPD) did not adequately document its compliance with Federal eligibility requirements for the HPRP program.

CONTEXT

During our testing of twenty-nine (29) participants' files, we noted the following:

- For seven (7) participants' files, there was no documentary evidence of eligibility determinations. As such, we were unable to determine if the household's total income meets the eligibility requirements, or if household is either homeless or at risk of losing its housing.
- Five (5) participant files contained no evidence that an initial consultation and eligibility assessment was performed.
- Three (3) participant files contained no evidence that redeterminations were performed every 3 months.
- Seven (7) participant files contained no evidence that; 1) a written lease was obtained, 2) an HPRP Staff Certification of Eligibility for HPRP Assistance form was maintained in the file, and 3) "But For" determinations were performed.

EFFECT

Failure to adequately perform the required eligibility determinations is a violation of Federal regulations.

CAUSE

Based on discussions with management, this situation is the result of administrative oversight.

Eligibility**Federal Department – U.S. Department of Housing and Urban Development****ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP), CFDA # 14.257****County Department – Department of Planning and Development****Finding 2012 – 9 (Continued)**

RECOMMENDATIONS

We recommend DPD establish policies and procedures to ensure its compliance with HPRP eligibility requirements and ensure the documentation of procedures performed are appropriately maintained. Also, we recommend that staff is appropriately trained.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 80.

Subrecipient Monitoring**Federal Department – U.S. Department of Housing and Urban Development****ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP), CFDA # 14.257****County Department – Department of Planning and Development****Finding 2012 – 10****Questioned Costs: None**

CRITERIA

Circular No. A-133, Subpart D – Federal Agencies & Pass-through Entities, §____.400(d)(3) requires that pass-through entities must monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

OMB Circular A-133 Subpart D Section .400 (d) requires pass-through entities to: (1) identify Federal awards made by informing each subrecipient of Catalog of Federal Domestic Assistance (CFDA) title and number, award name and number, award year; (2) advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity; (3) monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved; (4) ensure that subrecipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year; (5) issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action; (6) consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records; and (7) require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part.

Subrecipient Monitoring
Federal Department – U.S. Department of Housing and Urban Development
ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP), CFDA # 14.257
County Department – Department of Planning and Development
Finding 2012 – 10 (Continued)

CRITERIA (Continued)

DPD has developed policies and procedures to monitor its subrecipients based on monitoring visits documented by the proper completion and supervisory review of a HPRP Case File Review Checklist.

CONDITION

During the current audit period, the Department of Planning and Development (DPD) did not document its procedures for monitoring its subrecipients, which resulted in the noncompliance with Federal regulations.

CONTEXT

During our review of four (4) subrecipients' files, we noted the following:

- Four (4) subrecipient contracts did not contain the CFDA number.
- Four (4) subrecipient files did not contain evidence as to whether supervisory review was performed on the HPRP Case File Review Checklist during the audit period.

EFFECT

Failure to adequately monitor the activities and performance of subrecipients could result in Federal awards being used for unauthorized purposes as well as DPD's inability to adequately perform risk assessments on subrecipients.

CAUSE

Based on discussions with management, this situation is due to staff turnover which lead to a lack of administrative oversight.

RECOMMENDATION

We recommend DPD establish and implement policies and procedures to ensure all subrecipient contracts include all applicable Federal requirements. Also, procedures should be implemented to document the supervisory review of Subrecipient information, including the HPRP Case File Review Checklist.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 81.

Reporting**Federal Department – U.S. Department of Justice****Passed-through the Illinois Criminal Justice Information Authority****Violence Against Women Formula Grants – CFDA # 16.588****ARRA- Violence Against Women Formula Grants – CFDA # 16.588****County Department – State’s Attorney Office****Finding 2012 – 11****Questioned Costs: None**

CRITERIA

Per Section 13 of the Interagency Agreement with the Illinois Criminal Justice Information Authority, the Cook County State’s Attorney Office (SAO) is required to submit close-out reports within 45 days of the expiration of the grant agreement.

CONDITION

During the current audit period, SAO did not comply with the reporting requirements.

CONTEXT

During our testing of three (3) close-out reports, we noted two (2) of the three close-out reports were submitted 9 days late.

EFFECT

Failure to timely submit the required close-out reports is a violation of the Interagency Agreement and impairs the grantor agency’s ability to adequately monitor grant activities.

CAUSE

Based on discussions with management, this appears to be an oversight on the part of fiscal officers in SAO.

RECOMMENDATION

We recommend SAO establish and implement procedures to comply with the reporting requirements of its grant agreements and ensure that all required reports are submitted timely.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County’s Corrective Action Plan is on page 82.

CRITERIA

OMB Circular A-133 Subpart D Section .400 (d) requires pass-through entities to: (1) identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year; (2) advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity; (3) monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved; (4) ensure that subrecipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year; (5) issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action; (6) consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records; and (7) require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

Also, OMB Circular A-133 Subpart D Section .405(a) states that the management decision shall clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. If the auditee has not completed corrective action, a timetable for follow-up should be given. Prior to issuing the management decision, the Federal agency or pass-through entity may request additional information or documentation from the auditee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs. The management decision should describe any appeal process available to the auditee.

CONDITION

During the current audit period, the State’s Attorney Office (SAO) did not comply with Federal requirements for the monitoring of subrecipients of the Violence Against Women (VAW) Formula Grants funds. Additionally, the SAO did not have written policies outlining the process and procedures for the monitoring of its subrecipients.

CONTEXT

Based on our review of the sub-grant agreements, we noted two (2) subrecipients that received funding under the VAW grants. For both subrecipients, there was no programmatic or fiscal monitoring performed during FY 2012.

Subrecipient Monitoring
Federal Department – U.S. Department of Justice
Passed-through the Illinois Criminal Justice Information Authority
Violence Against Women Formula Grants – CFDA # 16.588
ARRA- Violence Against Women Formula Grants – CFDA # 16.588
County Department – State’s Attorney Office
Finding 2012 – 12 (Continued)

EFFECT

Failure to monitor the activities and performance of subrecipient’s could result in Federal awards being used for unauthorized purposes and the SAO’s inability to adequately perform risk assessments on subrecipients.

CAUSE

Based on discussions with management, these contracts were executed, and purchase orders issued, by the Office of Procurement. Management incorrectly treated these entities as vendors, rather than subrecipients.

RECOMMENDATION

We recommend SAO develop and implement written policies and procedures for monitoring its subrecipients that includes at a minimum: 1) appropriate determination of subrecipients, 2) ensuring that desk audits are performed timely and appropriately documented, 3) site visits are routinely performed for each subrecipient, 4) all required subrecipient reports are received and reviewed timely, and 5) maintaining documentation on reviews of subrecipients OMB Circular A-133 audits, and where applicable, issuing timely management decisions on audit findings to inform subrecipients of needed corrective actions.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County’s Corrective Action Plan is on page 82.

Reporting

Federal Department – U. S Department of Justice
Passed-through the City of Chicago Department of Police
JAG Program Cluster:

- **Edward Byrne Memorial Justice Assistance Grant Program, CFDA # 16.738**
- **ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories, CFDA # 16.803**

County Department – Judicial Advisory Council
Finding 2012 – 13

Questioned Costs: None

CRITERIA

Per the Memorandum of Understanding (MOU) between the City of Chicago Department of Police and the Judicial Advisory Council (JAC), quarterly fiscal reports shall be due 7-15 days after each quarter ends, depending on the applicable year of the MOU. Also, annual performance reports shall be due by January 7-15th of each year, depending on the applicable year of the MOU.

**Reporting
Federal Department – U. S Department of Justice
Passed-through the City of Chicago Department of Police
JAG Program Cluster:**

- Edward Byrne Memorial Justice Assistance Grant Program, CFDA # 16.738
- ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories, CFDA # 16.803

**County Department – Judicial Advisory Council
Finding 2012 – 13 (Continued)**

CONDITION

During the current audit period, the JAC did not comply with the reporting requirements of the MOU.

CONTEXT

During our review of reporting requirements for the current fiscal year, we noted the following:

- Six (6) of the 6 quarterly fiscal reports selected for testing were not provided.
- Four (4) of the 4 annual performance reports selected for testing were not provided.

EFFECT

Failure to submit the required fiscal and performance reports as required is a violation of the MOU and impairs the grantor agency's ability to adequately monitor the Federally funded program.

CAUSE

Per discussion with management, this occurred due to staff transitions during the current year.

RECOMMENDATION

We recommend JAC comply with the MOU's reporting regulations by establishing and implementing written policies and procedures to ensure accurate preparation, review and approval of required reports.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 83.

Subrecipient Monitoring
Federal Department – U. S Department of Justice
Passed-through the City of Chicago Department of Police
JAG Program Cluster:

- **Edward Byrne Memorial Justice Assistance Grant Program, CFDA # 16.738**
- **ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories, CFDA # 16.803**

County Department – Judicial Advisory Council

Finding 2012 – 14

Questioned Costs: None

CRITERIA

OMB Circular A-133 Subpart D Section .400 (d) requires pass-through entities to: (1) identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year; (2) advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity; (3) monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved; (4) ensure that subrecipients expending \$300,000 (\$500,000 for fiscal years ending after December 31, 2003) or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of this part for that fiscal year; (5) issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and ensure that the subrecipient takes appropriate and timely corrective action; (6) consider whether subrecipient audits necessitate adjustment of the pass-through entity's own records; and (7) require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.

Also, OMB Circular A-133 Subpart D Section .405(a) states that the management decision shall clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. If the auditee has not completed corrective action, a timetable for follow-up should be given. Prior to issuing the management decision, the Federal agency or pass-through entity may request additional information or documentation from the auditee, including a request for auditor assurance related to the documentation, as a way of mitigating disallowed costs. The management decision should describe any appeal process available to the auditee.

CONDITION

During the current audit period, the Judicial Advisory Council (JAC) did not comply with Federal requirements for the monitoring of subrecipients of the Edward Byrne Memorial Justice Assistance Grant Program funds. Additionally, JAC did not have written policies outlining the process and procedures for monitoring of subrecipients.

**Subrecipient Monitoring
Federal Department – U. S Department of Justice
Passed-through the City of Chicago Department of Police
JAG Program Cluster:**

- Edward Byrne Memorial Justice Assistance Grant Program, CFDA # 16.738
- ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories, CFDA # 16.803

**County Department – Judicial Advisory Council
Finding 2012 – 14 (Continued)**

CONTEXT

During our test of eleven (11) subrecipients' files, we noted the following:

- We were unable to verify that desk audits had been completed for 9 of the subrecipients files tested.
- 11 of the subrecipient contracts did not contain the CFDA number.
- 11 subrecipients' files had no documentation as to whether or not an A-133 audit was required. Also, we noted no evidence of receipt of the A-133 reports. As a result, we were unable to determine if JAC reviewed these reports, and if applicable, issued a management decision on audit findings in accordance with OMB Circular A-133 Subpart D Section .405(a).
- We were unable to determine the total amount provided to subrecipients for six (6) of the subrecipients tested.
- For four (4) files tested the amounts provided to the subrecipients exceeded the budgeted amount. There was no documentation of explanations provided for these increases.

EFFECT

Failure to adequately monitor the activities and performance of subrecipients could result in Federal awards being used for unauthorized purposes and JAC's inability to adequately perform risk assessments on subrecipients.

CAUSE

Per discussion with management, this occurred due to management's unfamiliarity with Federal regulations pertaining to subrecipient monitoring.

RECOMMENDATION

We recommend JAC develop and implement written policies and procedures for monitoring its subrecipients that at a minimum ensures: 1) desk audits are performed timely and appropriately documented, 2) site visits are routinely performed for each subrecipient, 3) all required subrecipient reports are received and reviewed timely, 4) documentation is maintained on reviews of subrecipients A-133 audits, and where applicable, issue timely management decisions on audit findings to inform subrecipients of needed corrective actions, 5) all subrecipient contracts include the applicable Federal requirements and 6) staff is properly trained.

Subrecipient Monitoring**Federal Department – U. S Department of Justice****Passed-through the City of Chicago Department of Police****JAG Program Cluster:**

- Edward Byrne Memorial Justice Assistance Grant Program, CFDA # 16.738
- ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories, CFDA # 16.803

County Department – Judicial Advisory Council**Finding 2012 – 14 (Continued)**

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The County's Corrective Action Plan is on page 84.

Davis-Bacon Act**Federal Department – U. S Department of Energy****ARRA-Energy Efficiency and Conservation Block Grant (EECBG), CFDA # 81.128****County Department – Department of Environmental Control****Finding 2012 – 15****Questioned Costs: None**

CRITERIA

In accordance with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"), non-federal entities shall include in their construction contracts a requirement that the contractor or subcontractor comply with the Davis-Bacon Act.

This includes a requirement for the contractor or subcontractor to submit to the non-federal entity weekly, for each week in which any contract work is performed, a certified copy of the payroll and a statement of compliance (29 CFR sections 5.5 and 5.6).

OMB Circular A-133 Subpart C Section .300(b) requires auditees to maintain internal control over Federal programs that provide reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of the contracts or grant agreements that could have a material effect on each of its Federal programs.

CONDITION

During the current audit period, the Department of Environmental Control did not adequately document its compliance with Federal Davis-Bacon requirements for the EECBG program.

CONTEXT

During our review of the Department of Environmental Control's Manual of Administrative Procedures, we noted references to a website that provides an overview of the Davis Bacon requirements and other links providing information about Davis Bacon compliance. However, these procedures do not provide required policies and procedures in a detailed manner that ensures that controls are in place over compliance with the requirements of the Davis Bacon Act.

Davis-Bacon Act
Federal Department – U. S Department of Energy
ARRA-Energy Efficiency and Conservation Block Grant (EECBG), CFDA # 81.128
County Department – Department of Environmental Control
Finding 2012 – 15 (Continued)

CONTEXT) Continued)

A Certified Davis Bacon Payroll Validation of Review Original Document to EECBG portal upload form was provided as documentation of the review of the certified payrolls. However, this form only validates the receipt of the certified payrolls to the department's portal. Without adequate written policies and procedures, we could not substantiate the review of the certified payrolls during our testing of nine (9) construction files.

EFFECT

Failure to document the review of certified payrolls submitted by contractors is a violation of Federal regulations and impairs the Department of Environmental Control's ability to adequately monitor the Federally funded program. The lack of written policies and procedures is a significant deficiency and impairs the Department of Environmental Control's ability to consistently comply with Davis Bacon requirements.

CAUSE

Based on discussions with management, this situation is the result of administrative oversight.

RECOMMENDATIONS

We recommend the Department of Environmental Control establish and implement written policies and procedures to ensure its compliance with the Davis Bacon Act requirements and ensure that documentation of procedures performed are appropriately maintained. These policies and procedures should detail each process as well as the party (ies) responsible for the process.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on pages 85-86.

Eligibility**Federal Department – U. S Department of Energy****ARRA-Energy Efficiency and Conservation Block Grant (EECBG), CFDA # 81.128****County Department – Department of Environmental Control****Finding 2012 – 16****Questioned Costs: None**

CRITERIA

The Office of Management and Budget A-133 Compliance Supplement (June 2012) states that there are eligibility requirements for subrecipients, but not for recipients.

42 USC 17154 states that an eligible entity may use a grant received under this part to carry out activities to achieve the purposes of the program, including (5) the provision of grants to nonprofit organizations and governmental agencies for the purpose of performing energy efficiency retrofits.

For the purposes of the EECBG Program, “city” includes a city-equivalent unit of local government as defined by the U.S. Census of Governments. For example, a city-equivalent unit of local government such as town, village, or other municipality shall be considered eligible if it meets the required population thresholds. Consolidated city-county governments will be considered as cities.

Cities that are eligible for direct formula grants from the U.S. Department of Energy (DOE) are those that have a population of at least 35,000, or that are one of the 10 highest populated cities of the state in which the city is located. In states that have incorporated eligible municipalities (villages) within the boundaries of other incorporated eligible municipalities (towns), the village population will be subtracted from the town’s population (42 USC Section 17151).

Nongovernmental organizations are eligible to receive subgrants for the purpose of assisting in the implementation of the energy efficiency and conservation strategy of the eligible unit of local government or Indian tribe (42 USC 17154(a) (5)).

OMB Circular A-133 Subpart C Section .300(b) requires auditees to maintain internal control over Federal programs that provide reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of the contracts or grant agreements that could have a material effect on each of its Federal programs.

CONDITION

During the current audit period, the Department of Environmental Control did not comply with Federal eligibility requirements.

CONTEXT

During our review of thirteen (13) subrecipients’ eligibility files, no supporting documentation was maintained to determine compliance with the eligibility requirements for local governments and non-governmental units. We noted that the files tested were for projects started in prior years. However, the Department of Environmental Control did not maintain written policies and procedures to document the Department’s ability to adequately determine compliance with eligibility requirements.

EFFECT

Failure to adequately document the eligibility determinations of subrecipients could result in Federal awards being used for unauthorized purposes.

The lack of detailed written procedures is a significant deficiency and impairs the Department of Environmental Control's ability to adequately monitor its subrecipients to ensure compliance with Federal regulations.

CAUSE

Based on discussions with management, this situation is the result of administrative oversight.

RECOMMENDATION

We recommend the Department of Environmental Control immediately adopt and implement written policies and procedures over eligibility to ensure compliance with Federal regulations. In addition, supporting documentation should be maintained to support all eligibility determinations.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on page 87.

Reporting

Federal Department – U. S Department of Energy
ARRA-Energy Efficiency and Conservation Block Grant (EECBG), CFDA # 81.128
County Department – Department of Environmental Control
Finding 2012 – 17

Questioned Costs: None

CRITERIA

Per EECBG Program Notice 10-07B (Effective Date: September 17, 2011), DOE Recovery Act Reporting Requirements for the Energy Efficiency and Conservation Block Grant (EECBG) Program, Section 6.2.4., "DOE requires the submission of two major reports from prime recipients:

1. Federal Financial Report (SF-425): submitted quarterly at the level of prime recipient
2. Performance Report: submitted monthly (as applicable) and quarterly at the level of the activity.

Also, regardless of how recipients decide to manage their reporting process, prime recipients ultimately retain the responsibility to ensure that reports are submitted accurately and on time.

Reporting**Federal Department – U. S Department of Energy****ARRA-Energy Efficiency and Conservation Block Grant (EECBG), CFDA # 81.128****County Department – Department of Environmental Control****Finding 2012 – 17 (Continued)**

CONDITION

During the current audit period, the Department of Environmental Control did not comply with Federal reporting requirements.

CONTEXT

During our testing of six (6) reports (two (2) Section 1512 ARRA reports, 2 quarterly reports, and 2 SF-425 reports), we noted the following:

1. Reportedly, both SF-425 reports were prepared on an accrual basis. However, the amounts reported were on a cash basis. A reconciliation to the Transaction Analysis (accrual basis) noted the following:
 - Total cumulative expenditures for the period ended 12/31/2011 per the SF-425 report were \$7,435,613. However, total expenditures per the Transaction Analysis provided were \$7,423,930, a difference of \$11,683.
 - Total cumulative expenditures for the period ended 3/31/2012 per the SF-425 report were \$8,241,768. However, total expenditures per the Transaction Analysis provided were \$8,686,386, a difference of \$444,618.
2. We noted no evidence of supervisory review of the six reports tested, nor was there documentary evidence of written policies and procedures for the supervisory review of reports.

EFFECT

Failure to maintain adequate documentation resulted in inaccurate reporting, reflecting an overage of \$432,935 in expenditures and is a violation of Federal requirements.

CAUSE

Per discussion with management, this occurred due to the lack of adequate review of required reports.

RECOMMENDATION

We recommend the Department of Environmental Control develop and implement procedures to ensure compliance with Federal reporting requirements that includes, at a minimum, adequate supervisory review of reports, reporting based on the selected accounting basis, and maintenance of adequate supporting documentation.

Reporting**Federal Department – U. S Department of Energy****ARRA-Energy Efficiency and Conservation Block Grant (EECBG), CFDA # 81.128****County Department – Department of Environmental Control****Finding 2012 – 17 (Continued)**

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County's Corrective Action Plan is on pages 88-89.

Procurement and Suspension and Debarment**Federal Department (s) – Various****Passed-through Agencies – Various****County Department – Office of the Chief Procurement Officer****Finding 2012 – 18****Questioned Costs: None**

CRITERIA

States, and governmental subrecipients of States, shall use the same State policies and procedures used for procurements from non-federal funds. They also shall ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations.

Local governments and Indian tribal governments which are not subrecipients of States will use their own procurement procedures provided that they conform to applicable Federal law and regulations and standards identified in the OMB Circular A-102 Common Rule.

All non-federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

In addition to those statutes listed in the A-102 Common Rule and OMB Circular A-110, Section 1605 of ARRA prohibits the use of ARRA funds for a project for the construction, alteration, maintenance, or repairs of a public building or work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States. This result in making the Buy-American Act applies to these ARRA awards. ARRA provides for waiver of these requirements under specified circumstances.

An award term is required in all ARRA-funded awards for construction, alteration, maintenance, or repair of a public building or public work (2 CFR Section 176.140). Further information about this requirement, including applicable definitions, is found in 2 CFR Section 176.2.

The requirements for procurement are contained in the A-102 Common Rule (§____.36); OMB Circular A-110 (2 CFR Sections 215.40 through 215.48), program legislation; Section 1605 of ARRA, 2 CFR part 176 Federal awarding agency regulations, and the terms and conditions of the award (including those required by ARRA).

**Procurement and Suspension and Debarment
Federal Department – Various
Passed-through Agencies – Various
County Department – Office of the Chief Procurement Officer
Finding 2012 – 18 (Continued)**

CRITERIA (Continued)

Suspension and Debarment

Governmentwide requirements for nonprocurement suspension and debarment are contained in the OMB guidance in 2 CFR Part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension. The OMB guidance, which superseded the suspension and debarment common rule published November 26, 2003, is substantially the same as that rule.

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR Section 180.220 of the governmentwide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR Section 180.300).

Cook County Code

The Cook County, Illinois, Code of Ordinances (Cook County Code), Part I, Chapter 34, Article IV, Division 4, Sec. 34-171 (a). - Disqualification for County tax or debt delinquency or obligation default, reads as follows:

"A Person that is (i) delinquent in the payment of any tax (including real estate tax) or fees administered by the County, (ii) delinquent in the payment of any debt to the County, (iii); is in default of any obligation to the County; or (iv) is a "predatory lender," as determined pursuant to the Cook County Predatory Lending Ordinance, shall be ineligible to enter into a Contract with the County. Notwithstanding the foregoing, a Person shall not be ineligible, nor shall the County exercise any rights to set-off or other remedies set forth in Section 34-196 against a Person, if such Person is contesting liability for the delinquency in a pending administrative or judicial proceeding, or contesting the existence of a default, and shows proof of the contest; or if such Person has entered into an agreement for the payment of such delinquency and verifies compliance with the agreement."

**Procurement and Suspension and Debarment
Federal Department – Various
Passed-through Agencies – Various
County Department – Office of the Chief Procurement Officer
Finding 2012 – 18 (Continued)**

CRITERIA (Continued)

Cook County Code Part I, Chapter 34, Article IV, Division 4, Sec. 34-172 (a) and (b) states: (a) “A Person shall be ineligible to enter into a Contract with the County if such Person or a Substantial Owner (as defined in Article V, Section 34-367) is delinquent in the payment of a Court-Ordered Child Support Arrearage. (b) If the County becomes aware that a Person or Substantial Owner becomes delinquent in payments under a Court-Ordered Child Support Arrearage after the County has entered into a Contract with such Person or Substantial Owner, then after notice from the County of such noncompliance and a 30-day opportunity to pay such delinquency, such delinquency of such Person or Substantial Owner shall be an event of default under the Contract. Such Person or Substantial Owner shall provide sufficient evidence to the CPO of payment of such delinquency.”

Cook County Code Part I, Chapter 34, Article IV, Division 8, Subdivision 1, General Provisions states: “The County has adopted a Minority Business Enterprise Ordinance to ensure that minority and women's businesses are provided full and equal opportunity to participate in Contracts. This subdivision shall be known and may be cited as the Cook County Minority- and Women-Owned Business Enterprise General Ordinance. This subdivision is applicable to all Contracts, except Public Works Contracts. These provisions include the following:

Sec. 34-267. - Program goals. (a) The County aspires to the following annual Program Goals: A goal of 25 percent of the annual total dollar amount of Contracts other than Public Works Contracts to MBEs, and ten percent of the total dollar amount of such Contracts to WBEs. (b) The CCD, in consultation with the CPO and the Using Agency shall establish Contract Specific Goals for each Contract. In establishing a Contract Specific Goal, the CCD shall consider the availability of sufficient Certified MBEs and WBEs for the supplies, materials and equipment or services required as part of the Procurement. (c) No goal shall be treated as a quota nor shall it be used to discriminate against any Person on the basis of race, color, national origin, religion or sex.

CONDITION

During the current audit period, the Office of the Chief Procurement Officer (OCPO) did not 1) adequately ensure Federally-funded contracts issued to vendors were in compliance with Federal regulations, and 2) maintain documentation to ensure compliance with the Cook County Code of Ordinances which requires verification of whether potential contractors are delinquent in taxes and fees, including child support payments, prior to the awarding of the contract, and compliance with MBE/WBE requirements.

CONTEXT

During our current period test of seventeen (17) Federally-funded contracts, we noted the following:

- One (1) contract file could not be provided for our review.
- Two (2) contract files did not contain evidence of the monitoring of vendors against the Federal EPLS.
- OCPO did not monitor Federally-funded contracts to determine if procurements were funded under and in compliance with the Recovery Act. OCPO did not obtain copies of grant agreements from user departments to perform monitoring with grant agreement provisions.
- For two (2) contracts, we noted no documentation to verify if potential contractors were delinquent in child support payments, or whether the required verifications of delinquent taxes and fees were performed.
- For two (2) contracts, we noted no evidence of compliance with MBE/WBE requirements and/or waivers of such requirements.

EFFECT

Failure to review all Federally-funded contracts for applicable Federal requirements could result in noncompliance with Federal regulations. The failure to determine if Federally-funded contracts include Recovery Act funding could result in Recovery Act funded contracts violating Federal requirements.

Per Federal regulations, if a participant knowingly does business with an excluded person, the Federal agency responsible for the transaction could disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend the participant, or take other remedies as deemed appropriate.

Failure to comply with the provisions of the Cook County Code could result in ineligible participation in the County's procurement process. Also, the failure of the OCPO to maintain adequate documentation of the monitoring of potential delinquencies in taxes and fees, including child support, impairs the efficiency of the contract award/evaluation process, and could result in unqualified vendors/contractors being awarded Federally funded contracts.

**Procurement and Suspension and Debarment
Federal Department – Various
Passed-through Agencies – Various
County Department – Office of the Chief Procurement Officer
Finding 2012 – 18 (Continued)**

CAUSE

Based on discussions with management, this situation occurred as a result of the Department going through transitional changes during the current year.

RECOMMENDATION

We recommend management review its policies and procedures to ensure all applicable Federal regulations are adopted and implemented. This includes monitoring of vendors against the Federal EPLS and determining if procurements were funded under and in compliance with the Recovery Act.

We further recommend the OCPO review the Cook County Code and establish policies and procedures to ensure compliance with applicable ordinances. These policies and procedures should ensure all contract files contain documentation on the verifications of potential contractors/vendors' delinquent in taxes and fees, including child support payments. Training should be provided to ensure that employee responsibilities are clearly understood.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:

The County's Corrective Action Plan is on page 90.

**Procurement and Suspension and Debarment
Federal Department (s) – Various
Passed-through Agencies – Various
County Department – Cook County Health and Hospitals System
Finding 2012 – 19**

Questioned Costs: None

CRITERIA

States, and governmental subrecipients of States, shall use the same State policies and procedures used for procurements from non-federal funds. They also shall ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations.

Local governments and Indian tribal governments which are not subrecipients of States will use their own procurement procedures provided that they conform to applicable Federal law and regulations and standards identified in the OMB Circular A-102 Common Rule.

**Procurement and Suspension and Debarment
Federal Department – Various
Passed-through Agencies – Various
County Department –Cook County Health and Hospitals System
Finding 2012 – 19 (Continued)**

CRITERIA (Continued)

All non-federal entities shall follow Federal laws and implementing regulations applicable to procurements, as noted in Federal agency implementation of the A-102 Common Rule and OMB Circular A-110.

Federal regulations (45 CFR 92.36 (i)) require all contracts, awarded by a recipient, including small purchases, shall contain the following provisions as applicable: 1) Equal Employment Opportunity; 2) Copeland "Anti-Kickback" Act; 3) Davis Bacon Act; 4) Contract Work Hours and Safety Standards Act; 5) Rights to Inventions Made Under a Contract or Agreement; 6) Clean Air Act and the Federal Water Pollution Control Act; 7) Byrd Anti-Lobbying Amendment; and 8) Debarment and Suspension.

Governmentwide requirements for nonprocurement suspension and debarment are contained in the OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension. The OMB guidance, which superseded the suspension and debarment common rule published November 26, 2003, is substantially the same as that rule.

Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. 2 CFR section 180.220 of the governmentwide nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking the *Excluded Parties List System (EPLS)* maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

Cook County Code

The Cook County, Illinois, Code of Ordinances (Cook County Code), Part I, Chapter 34, Article IV, Division 4, Sec. 34-171 (a). - Disqualification for County tax or debt delinquency or obligation default, reads as follows:

"A Person that is (i) delinquent in the payment of any tax (including real estate tax) or fees administered by the County, (ii) delinquent in the payment of any debt to the County, (iii); is in default of any obligation to the County; or (iv) is a "predatory lender," as determined pursuant to the Cook County Predatory Lending Ordinance, shall be ineligible to enter into a Contract with the County.

**Procurement and Suspension and Debarment
Federal Department – Various
Passed-through Agencies – Various
County Department – Cook County Health and Hospitals System
Finding 2012 – 19 (Continued)**

CRITERIA (Continued)

Cook County Code Continued)

Notwithstanding the foregoing, a Person shall not be ineligible, nor shall the County exercise any rights to set-off or other remedies set forth in Section 34-196 against a Person, if such Person is contesting liability for the delinquency in a pending administrative or judicial proceeding, or contesting the existence of a default, and shows proof of the contest; or if such Person has entered into an agreement for the payment of such delinquency and verifies compliance with the agreement.”

CONDITION

During the current audit period, Cook County Health and Hospitals System (CCHHS) did not 1) adequately ensure Federally-funded contracts issued to vendors were in compliance with certain Federal regulations and 2) maintain documentation to ensure compliance with the Cook County Code of Ordinances which requires verification of whether potential contractors are delinquent in taxes and fees.

CONTEXT

During our test of three (3) Federally-funded contracts, we noted the following:

- The 3 contracts did not contain certain provisions required by OMB Circular A-102 Common Rule. These include the following required provisions:
 1. Equal Employment Opportunity
 2. Copeland “Anti-Kickback” Act
 3. Contract Work Hours and Safety Standards Act
 4. Rights to Inventions Made Under a Contract or Agreement
 5. Clean Air Act and the Federal Water Pollution Control Act
 6. Byrd Anti-Lobbying Amendment
 7. Debarment and Suspension
- CCHHS did not maintain adequate support to document its monitoring of vendors against the Federal EPLS.
- During the current audit period, CCHHS did not ensure compliance with the Cook County Code of Ordinances which requires verification of whether potential contractors are delinquent in taxes and fees. We noted no evidence of verification with Cook County fee collection agencies such as Clerk of the Circuit Court, Cook County Department of Revenue, Cook County Recorder of Deeds, and the Cook County Clerk.

**Procurement and Suspension and Debarment
Federal Department – Various
Passed-through Agencies – Various
County Department – Cook County Health and Hospitals System
Finding 2012 – 19 (Continued)**

EFFECT

Failure to include the required contract provisions is a violation of Federal regulations and could result in non-compliance with Federal regulations by contractors, subcontractors, and vendors of Federally-funded contracts.

Per Federal regulations, if a participant knowingly does business with an excluded person, the Federal agency responsible for the transaction could disallow costs, annul or terminate the transaction, issue a stop work order, debar or suspend the participant, or take other remedies as deemed appropriate.

Failure to comply with the provisions of the Cook County Code could result in contract termination. Also, the failure of CCHHS to maintain adequate documentation of the monitoring of potential delinquencies in taxes and fees impairs the efficiency of the contract award/evaluation process, and could result in unqualified vendors/contractors being awarded Federally funded contracts.

CAUSE

Based on discussions with management, this occurred due to staff turnover, as well as the lack of understanding of Federal regulations over the procurement process.

RECOMMENDATION

We recommend management review its policies and procedures to ensure all applicable Federal regulations are adopted and implemented, including 1) ensuring all Federally-funded contracts include the required contract provisions as described in OMB Circular A-102 Common Rule, 2) monitoring of vendors against the Federal EPLS and 3) determining if procurements were funded under and in compliance with the Recovery Act.

We further recommend the CCHHS review the Cook County Code and establish policies and procedures to ensure compliance with applicable ordinances. These policies and procedures should ensure all contract files contain documentation on the verifications of potential contractors/vendors' delinquent in taxes and fees. Training should be provided to ensure that employee responsibilities are clearly understood.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION:

The County's Corrective Action Plan is on pages 91-92.

Reporting**Federal Department – The Office of Management and Budget****Federal Programs – Various****County Department – Bureau of Finance, Office of the Comptroller****Finding 2012 – 20****Questioned Costs: None**

CRITERIA

The Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (OMB Circular A-133) Subpart C – Auditees, Section .320 Report Submission, (a) General, requires the data collection form and reporting package “shall be submitted within the earlier of 30 days after the receipt of the auditor’s report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.” On March 22, 2011, OMB issued M-10-14, MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES, which states the following:

“Due to the importance of the Single Audits and the reliance of Federal agencies on the audit results to monitor the accountability of Recovery Act programs, agencies should not grant any extension request to grantees for fiscal years 2010 through 2011. In order to meet the criteria for a low-risk auditee (OMB Circular A-133 §____.530) in the current year, the prior two years audits must have met the requirements of OMB Circular A-133, including report submission to the FAC by the due date (OMB Circular A-133 §____.320).”

CONDITION

The County failed to comply with the requirements of OMB Circular A-133 Subpart C, Section 320 (a).

CONTEXT

The County’s data collection forms and the reporting packages (includes the single audit report and the basic financial statements) are due no later than August 31st of each year. During our review of the submissions of the prior two fiscal years’ data collection forms and reporting packages, we noted the reporting package for fiscal year 2010 was dated September 6, 2011. The data collection form and the reporting package were submitted to the Federal Audit Clearinghouse until September 22, 2011. As a result of M-10-14, no extension was allowed for fiscal year 2010. The final due date for the submission of the 2010 data collection form and the reporting package was August 31, 2011.

EFFECT

As a result of not submitting the data collection form and the reporting package in a timely manner, the County did not comply with OMB Circular A-133. Also, as a result of this non-compliance, the County cannot be considered a low-risk auditee for fiscal year 2012.

CAUSE

Per discussions with management, the untimely submission of the data collection form and the reporting package in fiscal year 2010 was the direct result of delays experienced in the completion of the County’s audited financial statements.

RECOMMENDATION

We recommend the County establish and implement the necessary procedures, as well as provide the appropriate resources, to ensure compliance with OMB Circular A-133 Subpart C, Section 320 (a).

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The County's Corrective Action Plan is on page 93.

Internal Controls Over Financial Reporting
Federal Department – Various
Federal Programs – Various
County Department – Various
Finding 2012 – 21

Questioned Costs: None

CRITERIA

OMB Circular A-133, Subpart C-Auditees, Section 300 (a), Auditee responsibilities states that "the auditee shall identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received."

CONDITION

The County failed to maintain adequate controls over the reporting of expenditures of Federal awards.

CONTEXT

During the current year, the County presented a preliminary Schedule of Expenditures of Federal Awards (SEFA) for audit. Subsequently, it was determined that various older grants, not yet closed out, contained balances either in excess of, or less than, revenues received. This resulted in a significant revision in amounts reported in the current period's SEFA to close out these older grants.

Additionally, we noted there are no policies and procedures to consistently ensure the proper close-out of Federally funded grants.

EFFECT

Failure to consistently close out Federally funded grants could result in the over or understatement of Federal expenditures in the SEFA. The net effect of the current year analysis of these grants was the overstatement of prior years' SEFA's by approximately \$3.2 million.

Internal Controls Over Financial Reporting
Federal Department – Various
Federal Programs – Various
County Department – Various
Finding 2012 – 21 (Continued)

CAUSE

Based on discussions with management, this situation occurred as a result of management's misunderstanding of the A-133 requirements.

RECOMMENDATION

We recommend the County develop and implement policies and procedures to ensure Federally funded grants are closed out in a consistent and timely manner. We further recommend the County consider the implementation of a system which will ensure that expenditures cannot be charged to a Federally funded grant in excess of grant revenues, and ultimately grant budgets.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The County's Corrective Action Plan is on page 94.

COOK COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED NOVEMBER 30, 2012

<u>Prior Year Findings</u>	<u>Current Year Status</u>
<u>Federal Award Findings</u>	
<u>Finding 2011-1</u> During the prior fiscal year, the County's County-wide cost allocation plan (CAP) submitted by the County did not comply with the requirements of 2 CFR Part 225 (OMB Circular A-87).	Repeated (See Finding 2012-1) first reported 11/30/02
<u>Finding 2011-2</u> During the prior fiscal year, certain County departments did not follow established policy and procedures to ensure expenditures for program activities were properly supported and monitored for compliance with Federal guidelines.	Not Repeated – During the current fiscal year the County departments implemented their corrective action plan and documented its compliance with the applicable Federal regulations.
<u>Finding 2011-3</u> During the prior fiscal year, the County's Juvenile Temporary Detention Center (JTDC) internal controls over financial reporting and the submission of reimbursement claims were inadequate to ensure the accuracy of the Child Nutrition Program Annual Financial Report and the monthly Claim for Reimbursement for the Child Nutrition Cluster.	Not Repeated – During the current fiscal year the County s implemented its corrective action plan and submitted the required reports in compliance with the applicable Federal regulations.
<u>Finding 2011-4</u> During the prior fiscal year, the County's JTDC failed to establish adequate controls over commodities inventory and to maintain accurate and complete inventory records in accordance with applicable agreements and Federal regulations for the Child Nutrition Cluster.	Partially Repeated – During the current fiscal year JTDC implemented its corrective action plan for the adequate completion of monthly Commodities Inventory Reports and Commodities Receipts Listings. Repeated – JTDC failed to complete the required physical inventory of commodities. (See Finding 2012-2) first reported 11/30/02

COOK COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

AND CORRECTIVE ACTION PLAN
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

<u>Prior Year Findings (Continued)</u>	<u>Current Year Status</u>
<u>Federal Award Findings (Continued)</u>	
<u>Finding 2011-5</u> During the prior fiscal year, the County's Department of Planning and Development (DPD) did not adequately document its compliance with Federal Davis-Bacon requirements for the Home Investment Partnerships Program (HOME) programs.	Repeated – HOME (See Finding 2012-7) first reported 11/30/10
<u>Finding 2011-6</u> During the prior fiscal year, the DPD did not comply with Federal reporting requirements for the CDBG program.	Partially Repeated – During the current fiscal year DPD implemented its corrective action plan for the submission of the Federal Cash Transactions report and the HUD 60002, Section 3 Summary Report, Economic Opportunities for Low and Very Low Income Persons. Repeated – Failure to comply with the Subaward Reporting Under Transparency Act (See Finding 2012-4) first reported 11/30/10
<u>Finding 2011-7</u> During the prior fiscal year, the DPD did not adequately document its procedures for monitoring its subrecipients for the CDBG program, which resulted in the noncompliance with Federal regulations.	Repeated – CDBG (See Finding 2012-5) first reported 11/30/10
<u>Finding 2011-8</u> During the prior fiscal year, the County's Judicial Advisory Council (JAC) failed to submit quarterly financial reports to the City of Chicago in a timely manner for the Edward Byrne Memorial Justice Assistance Grant Program.	Repeated (See Finding 2012-13) first reported 11/30/10

COOK COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

AND CORRECTIVE ACTION PLAN
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

<u>Prior Year Findings (Continued)</u>	<u>Current Year Status</u>
<u>Federal Award Findings (Continued)</u>	
<u>Finding 2011-9</u> During the prior fiscal year, JAC did not comply with Federal requirements for the monitoring of subrecipients of Edward Byrne Memorial Justice Assistance Grant Program funds. Additionally, JAC did not have written policies outlining the process and procedures for monitoring of subrecipients.	Repeated (See Finding 2012-14) first reported 11/30/10
<u>Finding 2011-10</u> During the prior fiscal year, the County's Cook County Works (CCW) did not comply with Federal regulations applicable to cash management requirements. Also, we noted no procedures in place to ensure that the same expenditures/costs are not resubmitted for reimbursements.	Not Repeated – During the current fiscal year CCW implemented its corrective action plan and documented its compliance with the applicable Federal regulations.
<u>Finding 2011-11</u> During the prior fiscal year, CCW failed to comply with Federal requirements pertaining to reporting requirements.	Not Repeated – During the current fiscal year CCW implemented its corrective action plan and documented its compliance with the applicable Federal regulations.
<u>Finding 2011-12</u> During the prior fiscal year, the County's Department of Environmental Control (EC) did not establish procedures to ensure funds were disbursed within two weeks of the receipt of invoices (Cash Management).	Not Repeated – During the current fiscal year the Department of Environmental Control (EC) implemented its corrective action plan and documented its compliance with the applicable Federal regulations.
<u>Finding 2011-13</u> During the prior fiscal year, the EC did not adequately document its compliance with Federal Davis-Bacon requirements for the EECBG program.	Repeated (See Finding 2012-15) first reported 11/30/11
<u>Finding 2011-14</u> During the prior fiscal year, the EC did not comply with Federal eligibility requirements.	Repeated (See Finding 2012-16) first reported 11/30/11

COOK COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

AND CORRECTIVE ACTION PLAN
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

<u>Prior Year Findings (Continued)</u>	<u>Current Year Status</u>
<u>Federal Award Findings (Continued)</u>	
<u>Finding 2011-15</u> During the prior fiscal year, the EC did not comply with Federal reporting requirements.	Repeated (See Finding 2012-17) first reported 11/30/11
<u>Finding 2011-16</u> During the prior fiscal year, the EC did not adequately document its procedures for the monitoring of subrecipients, which resulted in noncompliance with Federal regulations.	Not Repeated – During the current fiscal year the Department of Environmental Control (EC) implemented its corrective action plan and documented its compliance with the applicable Federal regulations.
<u>Finding 2011-17</u> During the prior fiscal year, the County's Department of Homeland Security and Emergency Management (DHSEM) failed to establish adequate controls over the Urban Area Security Initiative (UASI) and Homeland Security Grant (HSG) programs' equipment inventory and maintain accurate and complete inventory records in accordance with the Federal regulations.	Not Repeated – During the current fiscal year DHSEM implemented its corrective action plan and documented its compliance with the applicable Federal regulations.
<u>Finding 2011-18</u> During the prior fiscal year, the DHSEM did not submit timely the required quarterly report in accordance with Federal regulations.	Not Repeated – During the current fiscal year DHSEM implemented its corrective action plan and documented its compliance with the applicable Federal regulations.
<u>Finding 2011-19</u> During the prior fiscal year, the DHSEM did not maintain adequate controls over Federal requirements pertaining to subrecipient monitoring. Also, the DHSEM did not maintain written policies and procedures to document adequate compliance with subrecipient monitoring requirements.	Not Repeated – During the current fiscal year DHSEM implemented its corrective action plan and documented its compliance with the applicable Federal regulations.

COOK COUNTY, ILLINOIS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

AND CORRECTIVE ACTION PLAN
(Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2012

<u>Prior Year Findings (Continued)</u>	<u>Current Year Status</u>
<u>Federal Award Findings (Continued)</u>	
<u>Finding 2011-20</u> During the prior fiscal year, the DHSEM failed to comply with the special tests requirements for the Social Services Block Grant, Illinois Disaster Assistance Grant.	Not Repeated– During the current fiscal year DHSEM did not incur nor report any expenditure for the grant, and as a result no additional follow-up was needed as the grant has since been closed.
<u>Finding 2011-21</u> During the prior fiscal year, the County's Office of the Purchasing Agent (OPA) did not 1) adequately ensure Federally-funded contracts issued to vendors were in compliance with Federal regulations, 2) maintain documentation to ensure compliance with the Cook County Code of Ordinances which requires verification of whether potential contractors are delinquent in taxes and fees, including child support payments, prior to the awarding of the contract, 3) monitor contracts where the aggregate of expenditures by a Department within the County, or any separately elected official, to the same vendor for the same, or substantially the same contractual services within the same fiscal year equal a sum of \$25,000 or more, and 4) maintain adequate controls over awards initiated by User Departments and submitted to the OPA for approval of vendor payment.	Repeated (See Finding 2012-18) first reported 11/30/09
<u>Finding 2011-22</u> During the prior fiscal year, the Cook County Health and Hospital Systems (CCHHS) did not 1) adequately ensure Federally-funded contracts issued to vendors were in compliance with Federal regulations, 2) maintain documentation to ensure compliance with the Cook County Code of Ordinances which requires verification of whether potential contractors are delinquent in taxes and fees, including child support payments, prior to the awarding of the contract, and 3) monitor contracts where the aggregate of expenditures by a Department within the County, or any separately elected official, to the same vendor for the same, or substantially the same contractual services within the same fiscal year equal a sum of \$25,000 or more.	Repeated (See Finding 2012-19) first reported 11/30/11

COOK COUNTY, ILLINOIS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND CORRECTIVE ACTION PLAN
(Continued)
FOR THE YEAR ENDED NOVEMBER 30, 2012

<u>Prior Year Findings (Continued)</u>	<u>Current Year Status</u>
<u>Federal Award Findings (Continued)</u>	
<u>Finding 2011-23</u> During the prior fiscal year, the County failed to comply with the requirements of OMB Circular A-133 Subpart C, Section 320 (a). The County's data collection forms and the reporting packages (includes the single audit report and the basic financial statements) for fiscal year 2009 were due August 31, 2010. However, the reporting package was submitted to the Federal Audit Clearinghouse on October 4, 2010.	Repeated (See Finding 2012-20) first reported 11/30/10
<u>Finding 2011-24</u> During the prior fiscal year, the County failed to maintain adequate controls to ensure that all Federal awards received and expended were identified in its accounts.	Repeated (See Finding 2012-21) first reported 11/30/11



ANDREA GIBSON

BUDGET DIRECTOR

118 N. Clark Suite 1100 • Chicago, Illinois 60602 • (312) 603-4593

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Mr. John Schick
Interim Comptroller
118 N. Clark, Room 500
Chicago, IL 60602

Subject: Cook County FY2012 Single Audit
Response to Revised Finding 2012-1

Dear Mr. Schick:

The County concurs with the finding and the recommendation. The County has allocated appropriate resources to ensure its Cost Allocation Plan will meet OMB Circular A-87 requirements.

The Grants Management Director in the Department of Budget and Management Services will be primarily responsible for the CAP. The County has contracted with MAXIMUS Consulting Services, Inc. to develop the CAP for FY2013 and is contracting with them again in the development the CAP for use in FY2014 that are both in compliance with OMB Circular A-87.

Sincerely,

Andrea Gibson
Budget Director



Cook County Juvenile Temporary Detention Center

1100 S. Hamilton Avenue, Chicago, IL 60612

TEL (312) 433-7102

FAX (312) 433-6644

To: John Schick
Interim Comptroller

From: Jonathan Cabildo
Director of Business and Finance, JTDC *Jonathan Cabildo*

Re: Corrective Action Plan for FY2012 Single Audit Finding 2012-2

This is the JTDC's response to the FY2012 single audit findings outlined below:

Special Tests and Provisions, Commodities

Federal Department – U.S. Department of Agriculture (USDA)

Passed-through the Illinois State Board of Education (ISBE)

Child Nutrition Cluster:

- School Breakfast Program, CFDA # 10.553
- National School Lunch Program (NSLP), CFDA # 10.555

County Department – Juvenile Temporary Detention Center (JTDC)

Finding 2012 – 2

Questioned Costs: None

Description of Deficiencies:

Failure to perform a physical inventory and reconcile the physical inventory to the inventory records is a violation of Federal regulations and could result in the misstatement of perpetual records and the improper distribution or loss of purchased and/or donated commodities.

Background:

Based on our review, we were unable to obtain evidence that a physical inventory of commodities was completed during the current year. As a result, we could not determine if the physical inventory was reconciled with JTDC's Inventory Report.

JTDC CORRECTIVE ACTION PLAN:

1. The Food Service department will ensure that the monthly commodity inventory report is completed every month.
2. The report will be reviewed and signed monthly by the staff member assigned to manage the inventory.
3. The signed document will be submitted each month to the Director of Food Services or one of the Food Service Supervisors for review pertaining to accuracy of content.
4. Each month, the Director of Food Services will submit a copy of the report to the Director of Business and Finance.
5. At the end of the year, the Director of Food Services and/or the Food Services Supervisors will complete a physical inventory, review, audit, and document any discrepancies. Corrective action will be implemented if necessary and a member of the Food Services Management team will sign the final product. A copy of the report will be submitted to the Director of Business and Finance.

Assigned to: Vanessa Mason – Director of Food Services

Implementation Date of Correction Action Plan: May 14, 2013.



BUREAU OF ECONOMIC DEVELOPMENT

DEPARTMENT OF PLANNING & DEVELOPMENT

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MEMORANDUM

To: John Schick
Interim Comptroller
Office of the Comptroller

From: María Choca-Urban, Director
Department of Planning and Development

Subject: 2012 Single Audit Corrective Action Plan

FINDING – 2012-3

Views of Responsible Officials and Corrective Action Plans:

Management will ensure that appropriate standard documentation of payroll review is created where needed and consistently incorporated into the project files going forward. Similarly, management will make sure the appropriate documentation of a preconstruction conference is known by staff and included in each file. This will include, but not be limited to, a preconstruction conference agenda and sign-in sheet.

ANTICIPATED TIMELINE FOR FULL IMPLEMENTATION OF CORRECTIVE ACTION:

August 31, 2013

RESPONSIBLE STAFF:

Grant Coordinator, Planner – Capital Improvement Team



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MEMORANDUM

To: John Schick
Interim Comptroller
Office of the Comptroller

From: María Choca-Urban, Director
Department of Planning and Development

Subject: 2012 Single Audit Corrective Action Plan

FINDING – 2012-4

Views of Responsible Officials and Corrective Action Plans:

Since learning of the requirement, management and staff have assembled the needed data and plan to report the information soon for awards in Program Years 2011 and 2012. For 2013, staff will build this step into our subrecipient agreement review/execution process and collect the needed data at that time. Staff will report the information as soon as each subrecipient agreement is executed in order to meet the requirement to report qualifying contracts within one month.

ANTICIPATED TIMELINE FOR FULL IMPLEMENTATION OF CORRECTIVE ACTION:

December 31, 2013

RESPONSIBLE STAFF:

Grant Coordinator, Administrative Analyst, Administrative Assistant



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MEMORANDUM

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To: John Schick
Interim Comptroller
Office of the Comptroller

From: María Choca-Urban, Director
Department of Planning and Development

Subject: 2012 Single Audit Corrective Action Plan

FINDING 2012-5

Views of Responsible Officials and Corrective Action Plans:

Management will determine whether the CFDA number and DUNS number should indeed be included in the subrecipient contract rather than just the application. If so, for Program Year 2013 and beyond, both numbers will be included in the subrecipient contracts. Related to on-site monitoring, management will ensure that staff completes monitoring visits for every project and that standard documentation of the visit and its results are included in each subrecipient's file. Management will also ensure that staff issues project extension letters when needed and includes a copy in the subrecipient file. Staff will include a copy of the project close-out form in the subrecipient file upon submission to the Finance Department.

ANTICIPATED TIMELINE FOR FULL IMPLEMENTATION OF CORRECTIVE ACTION:

September 30, 2013

RESPONSIBLE STAFF:

Deputy Director, Grant Coordinator, Administrative Analyst, Planner



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MEMORANDUM

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To: John Schick
Interim Comptroller
Office of the Comptroller

From: María Choca-Urban, Director
Department of Planning and Development

Subject: 2012 Single Audit Corrective Action Plan

FINDING 2012-6

Views of Responsible Officials and Corrective Action Plans:

The municipal performance meeting requirement was removed in November, 2012, so evidence of such performance meetings will no longer be required. Similarly, there is no longer a need for a tracking or monitoring system since the municipal performance meeting requirement has been removed. The Department put its revised Citizen Participation Plan making both of these changes out for public comment from October 8, 2012 to November 8, 2012. The revised Citizen Participation Plan was approved by the Community Development Advisory Council (CDAC) on November 8, 2012, and the Department transmitted the revised Plan to HUD on December 26, 2012. The Department provided citizens with the chance to review and comment on its Consolidated Annual Performance and Evaluation Report (CAPER) by posting a notice to its website and publishing in the Chicago Tribune on October 5, 2012, advising the public that the 15-day comment period would run from October 24 through November 8, 2012, the requisite 15-day period required by HUD. This procedure for public review of and comment on the CAPER is documented in the revised Citizen Participation Plan and will be added to the CDBG Program standard procedures and operations guide.

ANTICIPATED TIMELINE FOR FULL IMPLEMENTATION OF CORRECTIVE ACTION:

September 30, 2013

RESPONSIBLE STAFF:

Program Manager, Project Director – Compliance and Monitoring Team



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MEMORANDUM

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To: John Schick
Interim Comptroller
Office of the Comptroller

From: María Choca-Urban, Director
Department of Planning and Development

Subject: 2012 Single Audit Corrective Action Plan

FINDING 2012-7

Views of Responsible Officials and Corrective Action Plans:

A certified payroll compliance review form or checklist will be developed. Related staff will be internally training on its usage. This documentation will be implemented for all new projects and incorporated in applicable files going forward.

ANTICIPATED TIMELINE FOR FULL IMPLEMENTATION OF CORRECTIVE ACTION:
August 31, 2013.

RESPONSIBLE STAFF:
Planner – Construction Team



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MEMORANDUM

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To: John Schick
Interim Comptroller
Office of the Comptroller

From: María Choca-Urban, Director
Department of Planning and Development

Subject: 2012 Single Audit Corrective Action Plan

FINDING 2012-8

Views of Responsible Officials and Corrective Action Plans:

Staff will conduct desk and on-site monitoring of HOME-assisted rental developments as HUD required. Documentation of monitoring and related findings and corrective actions will be stored in applicable files. Staff will develop a database to track the monitoring portfolio.

ANTICIPATED TIMELINE FOR FULL IMPLEMENTATION OF CORRECTIVE ACTION:

December 31, 2013

RESPONSIBLE STAFF:

Administrative Analyst, Planner, Administrative Assistant – Monitoring Team



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MEMORANDUM

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To: John Schick
Interim Comptroller
Office of the Comptroller

From: María Choca-Urban, Director
Department of Planning and Development

Subject: 2012 Single Audit Corrective Action Plan

FINDING 2012 - 9

Views of Responsible Officials and Corrective Action Plans:

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) ended nationwide on September 30, 2012. Cook County's HPRP program was officially closed out with the U.S. Department of Housing and Urban Development (HUD) on April 17, 2013.

The Emergency Solutions Grants Program (ESG), formerly the Emergency *Shelter* Grants Program, contains some elements of the HPRP program and has similar eligibility requirements. Staff is currently revising its ESG policies and procedures and keeping subrecipients informed of ESG eligibility requirements; these efforts will help prevent issues like those identified in this HPRP finding. Staff will ensure that subrecipients perform all required eligibility determinations and maintain documentation of same in program participant files. The Department has learned several lessons from administering HPRP, and has an additional staff person to ensure that subrecipient monitoring is performed on a timely basis and that subrecipients are compliant and following regulatory procedures.

ANTICIPATED TIMELINE FOR FULL IMPLEMENTATION OF CORRECTIVE ACTION:
September 30, 2013

RESPONSIBLE STAFF:
Administrative Analyst, Planner



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MEMORANDUM

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15th District

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ELIZABETH ANN DOODY GORMAN

17th District

To: John Schick
Interim Comptroller
Office of the Comptroller

From: María Choca-Urban, Director
Department of Planning and Development

Subject: 2012 Single Audit Corrective Action Plan

FINDING 2012-10

Views of Responsible Officials and Corrective Action Plans:

The implementation of new and written procedures in compliance with OMB Circular A-133 did not begin until the end of the Fiscal Year due to staff turnover. The Department is currently implementing procedures which identify if, and when A-133 Audits are due, when they are received and evidence of an audit review, including the issuance of management decision letter. Evidence of Audit receipts and reviews will be maintained in both subrecipient files and files maintained in the Finance Division.

ANTICIPATED TIMELINE FOR FULL IMPLEMENTATION OF CORRECTIVE ACTION:

July 31, 2013

RESPONSIBLE STAFF:

Director of Financial Control and Accountant IV



OFFICE OF THE STATE'S ATTORNEY
COOK COUNTY, ILLINOIS

ANITA ALVAREZ
STATE'S ATTORNEY

69 W. WASHINGTON, SUITE 3200
CHICAGO, ILLINOIS 60602
PHONE: (312) 603-1880

TO: Mitchell Goldberg
Cook County Comptroller's Office

FROM: Ray Balcarcel, CFO *RB*
Office of the State's Attorney

RE: 2012 Single Audit

You have asked me to prepare our management response to the draft findings presented to us at the exit interview last week. Please accept the following:

2012-11

Cause: This appears to be an oversight on the part of our fiscal officers.

Corrective action: We have created a database of all grant agreements, including relevant end dates and reporting deadlines, which will be updated whenever a new or renewal program is established. The CFO and the Director of Programs and Development will actively monitor these dates to ensure compliance.

2012-12


Cause: Because these contracts were executed by, and purchase orders issued by the Office of Procurement, we incorrectly treated these entities as vendors, rather than sub-recipients.

Corrective action:

- (1) Within the next 90 days we will evaluate all current grant agreements to determine which, if any, include sub-recipients.
- (2) Any subsequent new or renewal grants will be similarly evaluated at the time of award.
- (3) Any entity deemed to be a sub-recipient will be advised by the CFO, in writing, of the requirements imposed on them by federal laws and regulations.
- (4) In the event that an annual audit is required, the CFO will secure a copy of the latest such audit, and will issue a management decision on any relevant audit findings within six months.
- (5) The Programs and Development Unit will schedule periodic reviews and/or site visits to monitor performance and will report back to the sub-recipient on the results of such reviews within 60 days.



OFFICE OF THE
JUSTICE ADVISORY COUNCIL, COOK COUNTY, ILLINOIS
69 W. WASHINGTON STREET, SUITE 1110
CHICAGO, ILLINOIS 60602
TELEPHONE 312-603-1133
FACSIMILE 312-603-9974

To: John Schick, Interim Cook County Comptroller
From: Juliana Stratton, Executive Director 
Subject: 2012 Single Audit Corrective Action Plan


Finding 2012 – No. 13

Views of Responsible Officials and Corrective Action Plan

The Justice Advisory Council concurs with this finding. The Justice Advisory Council has completed financial reporting with the City of Chicago Department of Police. The Justice Advisory Council will track the required performance submission dates, to ensure that the program manager and Director are aware of the reporting requirements. In addition, the program manager will submit the performance reports to Director for review and approval before the reports are submitted to the funding agency. When the reports are completed and approved, a copy of the report will be saved electronically and a hard copy will be added into the grant file. The above actions will be implemented beginning July 1, 2013.



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CHICAGO, ILLINOIS 60602
TELEPHONE 312-603-1133
FACSIMILE 312-603-9974

To: John Schick, Interim Cook County Comptroller
From: Juliana Stratton, Executive Director 
Subject: 2012 Single Audit Corrective Action Plan

Finding 2012 – No. 14

Views of Responsible Officials and Corrective Action Plan

The Justice Advisory Council concurs with this finding. Having established a policy and procedures manual, we will further delineate specific procedures for monitoring the sub-recipients to ensure; 1) Desk audits are performed timely and appropriately documented, 2) Site visits are routinely performed for each sub-recipient, 3) all required sub-recipient reports are received and reviewed timely, 4) maintenance of documentation on reviews of sub-recipients A-133 audits, and, where applicable, issue timely management decisions on audit findings to inform sub-recipients of needed corrective actions, and 5) All sub-recipient contracts include the applicable Federal requirements. The above actions will be implemented beginning July 1, 2013.

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BUREAU OF ADMINISTRATION
DEPARTMENT OF ENVIRONMENTAL CONTROL

DEBORAH C. STONE
DIRECTOR

69 West Washington • Suite 1900
Chicago, Illinois 60602-3004
TEL (312) 603-8200
FAX (312) 603-9828

To: Mr. John Schick
Interim Comptroller

From: Deborah Stone
Director, Department of Environmental Control

A handwritten signature in blue ink, appearing to read "Deborah Stone", is written over the typed name and title.

Re: 2012 Single Audit Corrective Action Plan

Finding 2012-15

Correct Action Plan:

The responsibility of monitoring Davis Bacon Compliance is an activity conducted by the EECBG Program Manager. This activity has been implemented since the inception of the Program. The following steps will be incorporated in the Standard Operating Procedures by June 28, 2013:

- At the Initial Site Visit all Sub recipients (SR) were informed of the Davis – Bacon compliance requirement associated with the EECBG Program. All requirements were reviewed with the SR. This was documented via the Initial Site Visit forms. These forms were signed by SR, Field Inspector (Cook County) and all Participating Contractors. The Initial Site Inspection forms are stored in the SR's file.
- As request for payments (29As) are submitted, all Certified Payroll documents are reviewed. Review includes but is not limited to the following:
 1. Comparison of Certified Time sheets to the Department of Labor wage rates.
 2. Review of photographic proof Davis Bacon Poster was posted on site.

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3. Review of random employee interviews, verifying wages were actually paid to employees.
- After the Certified Timesheets have been reviewed they are logged into the SR's (hard copy) binder for storage. The log is signed by the Field Inspector conducting the review. The Log Sheet will be modified to verify that all Certified Timesheets Documents are accurate and compliant with all Davis Bacon requirements.
 - At the Final Site Visit, verification is made that all Davis Bacon Requirements have been complied with. The final Site Visit Form is signed by the SR representative, Field Inspector (Cook County) and all Participating Contractors. The form is added to the SRs file. A scrubbing of the SR's EECBG Platform Portal (web-based) Folder is conducted to ensure all required documents have been uploaded to the portal and in their proper file.

Please advise if there are any further questions.

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DIRECTOR

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FAX (312) 603-9828

To: John Schick
Interim Comptroller

From: Deborah Stone
Director, Department of Environmental Control

A handwritten signature in blue ink, reading "Deborah Stone".

Re: 2012 Single Audit Corrective Action Plan

Finding 2012-16

Corrective Action Plan:

The Department of Environmental Control has developed eligibility criteria for all participating Municipalities and Non-Governmental Participants. Eligibility will be regularly monitored by the EECBG Program Manager. These changes will be incorporated in the Standard Operating Procedures by June 28, 2013:

- Cities that are eligible for direct formula grants from the DoE are those that have a population of at least 35,000, or that one of the 10 highest populated cities of the state in which the cities is located.
- For Cities that have incorporated eligible municipalities (villages) within the boundaries of other incorporated eligible municipalities (towns), the village population will be subtracted from the town's population.
- Non-governmental organizations are eligible to receive sub grants for the purpose of assisting in the implementation of the energy efficiency and conservation strategy of the eligible unit of local government or Indian Tribe.

Please advise if there are any further questions.

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FAX (312) 603-9828

To: John Schick
Interim Comptroller

From: Deborah C. Stone
Director, Department of Environmental Control

A handwritten signature in blue ink, appearing to read "Deborah C. Stone", is written over the "From:" line of the letterhead.

Re: 2012 Single Audit Corrective Action Plan

Finding 2012-17

Corrective Action Plan:

Procedural changes are being implemented to ensure compliance with Federal reporting requirements thereby eliminating timing discrepancies in the reporting of grant expenditures and providing supervisory review and approval of all reports. These changes will be incorporated in the Standard Operating Procedures by June 28, 2013.

- The reporting inaccuracies noted in this finding were the result of the timing of the Department of Environmental Control's draws from the Federal Government. The Department determined the amount of the monthly draw a week prior to the end of the month. Thus, expenses booked during the last week of the month were being captured in the Federal drawdown in the following month. This practice resulted in a difference between the expenses shown on the Federal reports and the month-end Transaction Analysis Report. Although all expenditures are being captured, they were not all being reported in the appropriate reporting time period. Effective immediately, the Department Accountant will determine the amount of the draw shortly after month-end. This information will be passed on to the Department Deputy Director requesting the Federal drawdown and the contracted project management firm preparing the Federal reports. Modifying the timing of the monthly Federal draws will eliminate the lag in reporting of grant expenditures on the Federal reports.
- The report preparer will be required to submit all Federal reports to the Department one week prior to the submission deadlines for supervisory review and approval. The Accountant will verify the amounts shown on the Federal reports utilizing all available

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supporting documentation including the Transaction Analysis Report. The Accountant will confirm expenditures are captured in the correct reporting period and will resolve any discrepancies with the preparer. Once the Accountant's review is complete, the Project Manager will review and approve the reports. Upon approval, he will inform the report preparer via e-mail to proceed to submit the reports.

- The Accountant will ensure copies of the Federal reports and approval e-mail are maintained in the department's records.
- The Project Manager and Accountant will update the Standard Operating Procedures by June 28, 2013 to reflect this revised process.

Please advise if there are any further questions.



OFFICE OF THE CHIEF PROCUREMENT OFFICER

SHANNON E. ANDREWS

CHIEF PROCUREMENT OFFICER

118 North Clark Street, Room 1018 • Chicago, Illinois 60602 • (312) 603-5370

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17th District

TO: John Schick
Interim Comptroller

FROM: Shannon E. Andrews
Chief Procurement Officer

SUBJECT: Corrective Action Plan

You have asked that the Office of the Chief Procurement Officer ("OCPO") provide its Corrective Action Plan to the 2012 Single Audit Action, 2012-18 Finding. Based upon my review of Finding 2012-18 the following changes and enforcement of existing procedures are being implemented to address the audit findings:

1. Excluded Parties List System ("EPLS"). The OCPO has previously implemented a procedure to ensure that OCPO staff analyzes the EPLS to determine that a vendor has not been debarred or suspended from receiving a federally funded contract. Specifically, the OCPO will reinforce existing procedures to ensure that OCPO staff includes documentation in the file verifying that the vendor is not on the EPLS.
2. American Recovery Reinvestment Act ("ARRA") Funds. The OCPO is not aware of any contracts awarded with ARRA Funds, which did not include the necessary ARRA provisions. Additionally, effective November 1, 2011, the OCPO implemented procedures to ensure that federal clauses were added to the standard general conditions for federally-funded projects. The OCPO will implement procedures to ensure that OCPO staff requests grant agreements to determine whether ARRA applies.
3. Cook County Code. The OCPO has previously implemented procedures to ensure that vendors, who are awarded contracts are not delinquent in taxes, fees and child support payments. The OCPO has implemented a procedure requesting that when Using Agencies request amendments to contracts with vendors, vendors must complete a new Economic Disclosure Statements, so that the OCPO can determine if the vendor is delinquent in taxes, fees and child support payments.
4. MBE/WBE Requirements. The OCPO has previously implemented a procedure to ensure that the Contract Compliance Administrator reviews participation by minority and women owned business enterprises. The OCPO will reinforce existing procedures to ensure that OCPO staff includes documentation in the file verifying that the Contract Compliance Administrator reviews MBE/WBE requirements.

Please advise if there are any additional questions.

COOK COUNTY HEALTH & HOSPITALS SYSTEM

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Cook County Board of Commissioners

David Carvalho • Chairman
Cook County Health & Hospitals System Board


Jorge Ramirez • Vice Chairman
Cook County Health & Hospitals System Board

Ram Raju MD, MBA, FACS, FACHE • CEO
Cook County Health & Hospitals System



Health & Hospitals System Board Members

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Quin R. Golden
Edward L. Michael
Rev. Calvin S. Morris, PhD
Luis Muñoz, MD
Heather E. O'Donnell
Carmen Velasquez
Dorene P. Wiese, EdD

To: John Schick
Interim Comptroller
Cook County
From: Gina Besenhofer 
Director
Supply Chain Management
Re: Corrective Action Plan

CCHHS Supply Chain Corrective Action Plan 2012-19 Federal Funded Grants

<u>DESCRIPTION</u>	<u>OWNER</u>	<u>STATUS</u>	<u>COMPLETED DATE</u>
Revise all current contract & procurement policies & procedures in more detail and provide educational sessions for staff.	System Director Supply Chain Management		7/01/2013
Prior to award and contract completion ensure appropriate documents that indicate no fees or taxes are delinquent and include documentation in the contract file.	Supply Chain Staff		Ongoing
Prior to award and contract completion ensure all required documents for Federally-funded contracts are in compliance with Applicable Federal Regulations and include documentation in the contract file.	Supply Chain Staff		Ongoing
Review grant contracts quarterly to ensure all proper documentation has been included in the files.	Director Strategic Sourcing & Contracting		Quarterly

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Carmen Velasquez
Dorene P. Wiese, EdD

To: John Schick
Interim Comptroller
Cook County

From: Gina Besenhofer 
Director
Supply Chain Management

Re: Federal Audit Response

Cook County Health and Hospitals System's Supply Chain has reviewed all policies and procedures related to all contract and procurement processes which include those specific to federally funded grants. We have worked and developed with the Health System legal counsel to modify such policies and procedures that are affected as related to the inclusion of all required language, including that which is specific for federally funded grants. Further, we have developed Federal Conditions to be included with all applicable contracts. We will also re-train all applicable staff members for the checking of vendors from all applicable databases that contain notice of any type of disbarment (taxes and fees in particular), so that we do not enter into a contract with them inappropriately.

As the CCHHS Supply Chain moves forward with the implementation of our new technology, we will have a better handle on the types of contracts that each contract and procurement is related to. This will assist us in documenting and tracking federal grant requirements on a regular basis. In addition, we will go back and amend all contracts that were multi-year agreements to add all required language.

If you have any further questions or concerns please do not hesitate to contact me.

c: Mitchell Goldberg



OFFICE OF THE COMPTROLLER

JOHN SCHICK

INTERIM COMPTROLLER

118 North Clark St. Room 500 • Chicago, Illinois 60602 • (312) 603-5601

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To: JOHN SCHICK
INTERIM COMPTROLLER

FROM: MITCH GOLDBERG *Mitch Goldberg*
GRANTS MANAGER

RE: CORRECTIVE ACTION PLAN FOR SINGLE AUDIT FINDING 2012-20

Finding 2012-20

Views of Responsible Officials and Corrective Action Plan:

The Cook County Comptroller's Office hired an experienced grants person to manage the process of the 2011 Single Audit in February of 2012. The County also prioritized completing the 2011 Single Audit in the time period prescribed by OMB A-133. As a consequence of these measures the FY 11 Single Audit was completed and submitted on a timely basis. The FY 12 Single Audit will also be completed and submitted on a timely basis. The County will be including the Policies and Procedures in the manual that the Office of the Comptroller and the Office of the Budget Director are preparing. We anticipate this manual being implemented by the County's FY 14, which begins on December 1, 2013.



OFFICE OF THE COMPTROLLER

JOHN SCHICK

INTERIM COMPTROLLER

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To: JOHN SCHICK
INTERIM COMPTROLLER

FROM: MITCH GOLDBERG
GRANTS MANAGER

Mitch Goldberg

RE: CORRECTIVE ACTION PLAN FOR SINGLE AUDIT FINDING 2012-21

Finding 2012-21

Views of Responsible Officials and Corrective Action Plan:

The Cook County Comptroller's Office hired an experienced grants person to manage the process of the 2011 Single Audit in February of 2012. The Department of Budget & Management Services has hired a Grants Management Director in 2013. These two managers will be working on a revised grants manual to be followed by all County departments that receive grant funding. The manual will include a section on closing out federal grants. The County estimates that this manual will be prepared, reviewed and approved by appropriate Senior Management by the beginning of the County FY 14, which starts on December 1, 2013. Cook County is currently considering a new financial system that would include grants.

Cook County Health and Hospitals System
Audit and Compliance Committee Meeting Minutes
July 10, 2013

ATTACHMENT #4
(documents attached electronically)